

CITY OF YUBA CITY
STAFF REPORT

Date: November 16, 2021
To: Honorable Mayor & Members of the City Council
From: Finance Department
Presentation By: Spencer Morrison, Finance Director

Summary

Subject: Heavy Equipment Lease Financing

Recommendation: Adopt a Resolution of the City Council of the City of Yuba City, California, authorizing the execution and delivery of an Equipment Schedule to the Master Equipment Lease/Purchase Agreement for the acquisition, financing and leasing of certain equipment for the Public Benefit within the terms provided herein; authorizing the execution and delivery of other documents required in connection therewith; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution

Fiscal Impact: Costs associated with the financing will be just under \$55,000. This cost is a sum of the costs of issuing the lease and the cumulative interest costs over the 10-year life of the lease.

Purpose:

Use lease financing to purchase heavy Public Works equipment.

Background:

The City's Vehicle Replacement Plan (Plan) has been consistently underfunded for General Fund vehicles. Over the past three years, the City Council budget ad hoc committee has worked with staff to find solutions for better funding of the Plan. During the May 25th budget study session, staff presented the idea of leasing vehicles and using 10-year financing as a method of updating the City's rolling stock while easing the burden on the contributing funds.

At the October 19, 2021, meeting City Council authorized the purchase of a Global Environmental Products M4 Mechanical Sweeper ("Street Sweeper") from Tracy Equipment of Sacramento, CA (Resolution 21-159) and the purchase of a Caterpillar 420 Backhoe Loader ("Backhoe Loader") from Holt of California of Sacramento (Resolution 21-160). The combined cost of these purchases is \$473,887, comprised of \$315,862 for the Street Sweeper and \$158,025 for the Backhoe Loader.

On August 17, 2021, City Council authorized staff to enter into a Master Equipment Lease/Purchase Agreement (the "MELPA") with Bank of America in an amount up to \$3,400,000. The City made two draws against that MELPA on August 26, 2021, for a total of \$2,846,157 to

reimburse the City for the purchase of two new fire engines and two new public works vehicles. Accordingly, there is \$553,843 in remaining capacity under the existing MELPA with Bank of America.

City staff intend to utilize \$473,887 of that remaining capacity to finance the purchase of the Street Sweeper and Backhoe Loader. The first resolution presented tonight would authorize City staff to make a third draw against the Bank of America MELPA, provided key terms (par, interest rate, term) are within the approved not-to-exceed parameters.

Analysis:

City staff has identified a need to replace the current Tymco regenerative air sweeper due to its high mileage and being near the end of its useful life. City staff have also identified a need to replace the current backhoe due to its high hours of use, mechanical and electrical issues, and unreliable nature.

The City plans to purchase the new Street Sweeper and Backhoe Loader through Sourcewell, a member-driven cooperative that is designed to help municipalities, state agencies, and non-profit organizations purchase equipment. The delivery time for the street sweeper is approximately 6 months; the Backhoe Loader is available for delivery upon purchase.

City Council approved staff to advance the money to purchase the Street Sweeper and Backhoe Loader from the Vehicle Replacement Fund, with a subsequent reimbursement from a third draw under the Bank of America Master Equipment Lease/Purchase Agreement (the "Lease").

The City entered into the MELPA with Bank of America on August 26, 2021, and made two initial draws for \$2.85 million. The interest rate on those draws was 1.44%, however, in the last three months, market interest rates have moved up slightly. Accordingly, the interest rate for the proposed Lease will be 1.68%. That interest rate is locked through a December 7th closing/funding date and is fixed for the 10-year life of the Lease.

The documents included with this staff report include the Master Equipment Lease/Purchase Agreement with Bank of America, which establishes the original \$3.4 million line of credit that the City can draw down for equipment purchases. In addition to the master agreement, Equipment Schedule No. 3 is also attached and identifies the specific vehicles being purchased and the amortization schedule.

Finally, the Escrow and Account Control Agreement attached hereto establishes the agreement pertaining to how Bank of America will manage the escrowed \$473,887 and disburse those funds to pay for vehicles or reimburse the City for vehicle purchase costs already incurred.

Fiscal Impact:

Costs associated with the financing will be just under \$55,000. This cost is a sum of the costs of issuing the lease and the cumulative interest costs over the 10-year life of the lease.

Alternatives:

City Council may direct staff to:

1. rely on cash-on-hand to make the purchase; or
2. seek new proposals for the financing through a different proposal process.

Recommendation:

Adopt a Resolution authorizing the execution and delivery of Schedule(s) of Property to the Master Equipment Lease/Purchase Agreement for the Acquisition, Financing, and Leasing of Certain Equipment for the Public Benefit within the Terms Provided; Authorizing the Execution and Delivery of Other Documents Required in Connection Therewith; and Authorizing the Taking of All other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution

Attachments:

1. Good Faith Estimates Provided by Municipal Advisor
2. Resolution Approving the Equipment Schedule No. 3
3. Equipment Schedule No. 3
4. Escrow and Account Control Agreement, Equipment Schedule No. 3

Prepared By:

/s/ Spencer Morrison
Spencer Morrison
Finance Director

Submitted By:

/s/ Dave Vaughn
Dave Vaughn
City Manager

Reviewed By:

City Attorney

SLC by email

ATTACHMENT 1

GOOD FAITH ESTIMATES PROVIDED BY MUNICIPAL ADVISOR

The good faith estimates set forth herein are provided with respect to the 2021 Vehicle Lease in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Lease to be sold is \$486,387 (the "Estimated Principal Amount").

True Interest Cost of the Lease. The Municipal Advisor has informed the City that, assuming the Estimated Principal Amount of the Lease is sold and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Lease, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Lease, is 1.68%.

Finance Charge of the Lease. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the Lease, which means the sum of all fees and charges paid to third parties (or costs associated with the Lease), is \$12,500.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the City for sale of the Lease, less the finance charge of the Lease, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Lease, is \$473,887.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Lease, plus the finance charge for the Lease, as described above, not paid with the proceeds of the Lease, calculated to the final maturity of the Lease, is \$528,066, which excludes any reserves or capitalized interest paid or funded with proceeds of the Lease (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of November 2, 2021, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Lease issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual closing date of the Lease being different than the date assumed for

purposes of such estimates, (b) the actual principal amount of Lease sold being different from the Estimated Principal Amount, (c) the actual amortization of the Lease being different than the amortization assumed for purposes of such estimates, (d) other market conditions, or (e) alterations in the City's financing plan, or a combination of such factors.

ATTACHMENT 2

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT SCHEDULE TO THE
MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT FOR THE ACQUISITION,
FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT WITHIN
THE TERMS PROVIDED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF
OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING
THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE
TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION**

WHEREAS, the City of Yuba City, California (the “Lessee”), a municipal corporation duly organized and existing under the laws of the State of California (the “State”), authorized by the laws of the State to acquire, finance and lease personal property (tangible and intangible) for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the City Council of the Lessee (the “Council”) has determined that a need exists for the acquisition, financing and leasing of certain equipment with a cost not to exceed \$500,000 and consisting of a mechanical sweeper and backhoe loader, which constitute personal property necessary for the Lessee to perform essential governmental functions (collectively, the “Equipment”) on the terms herein provided; and

WHEREAS, the Council has previously awarded the purchase of the equipment pursuant to Resolution No. 21-159 and Resolution No. 21-160, and all actions taken by representatives of the Lessee pursuant to such resolutions and relating to the award and purchase of the equipment is hereby ratified and confirmed; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that certain Equipment Schedule (the “Equipment Schedule”) with Bank of America, National Association (or one of its affiliates), as lessor (the “Lessor”), substantially in the proposed form presented to the Council at this meeting, which Equipment Schedule incorporates by reference the terms and provisions of that certain Master Equipment Lease/Purchase Agreement dated as of August 26, 2021, by and between the Lessor and the Lessee (the “Agreement”); and

WHEREAS, the Council deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Equipment Schedule and the other documentation relating to the acquisition, financing and leasing of the Equipment to be therein described, including an escrow and account control agreement presented at this meeting (the “Escrow Agreement”), if necessary, on the terms and conditions therein and herein provided;

NOW, THEREFORE, be it resolved by the City Council of the City of Yuba City as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Equipment Schedule and the form of payment schedule therein (“Payment Schedule”, in the form presented to the Council at this meeting, are in the best interests of the Lessee for the acquisition financing and leasing of the Equipment.

Section 2. Approval of Documents. The form, terms and provisions of the Equipment Schedule, Payment Schedule and Escrow Agreement are hereby approved in substantially the

forms presented at this meeting, with such insertions, omissions and changes as shall be approved by City Manager or Finance Director, or their designee or other members of the governing body of the Lessee (the "*Authorized Officials*") executing the same, the execution of such documents being conclusive evidence of such approval; and each of the Authorized Officials of the Lessee, individually or collectively, is hereby authorized and directed to execute and deliver on behalf of the Lessee, and the City Clerk (or Assistant or Deputy City Clerk) (the "*City Clerk*") of the Lessee is hereby authorized and directed to attest, the Equipment Schedule under which a separate Lease (as defined in the Agreement) is created, the Payment Schedule attached thereto, any related exhibits attached thereto, the Escrow Agreement and any related exhibits attached thereto, and any other certificates or documents in connection with such documents. In lieu of attestation of the aforementioned documents, the City Clerk may attest to such signatories in an incumbency certificate.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Lease to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of a final Acceptance Certificate, the Escrow Agreement, Disbursement Requests and any tax certificate and agreement, as contemplated and/or defined in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Lease.

Section 4. No General Liability. Nothing contained in this Resolution, the Lease, the Escrow Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Lease, the Escrow Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Lease entered into pursuant to the Agreement are limited obligations of the Lessee, subject to annual appropriation, as provided in the Agreement.

Section 5. Appointment of Authorized Lessee Representatives. The City Manager and Finance Director of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Lease and the Escrow Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Lease or the Escrow Agreement.

Section 6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Government Code Section 5852.1 Transparency. The Lessee's municipal advisor has provided good faith estimates pursuant to Government Code Section 5852.1, which estimates are part of the Staff Report for this matter.

Section 8. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 9. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 16th day of November, 2021.

AYES:

NOES:

ABSENT:

Marc Boomgaarden, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY:

Shannon Chaffin, City Attorney
Aleshire & Wynder, LLP

ATTACHMENT 3

**EQUIPMENT SCHEDULE NO. 3
(GENERAL EQUIPMENT)**

Re: Master Equipment Lease/Purchase Agreement, dated as of August 26, 2021, between Bank of America, National Association, as Lessor, and the City of Yuba City, California, as Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the “*Agreement*”).

2. *Equipment.* For purposes of the Lease created hereby, the following items of Equipment are hereby included under this Equipment Schedule together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as provided in the Agreement.

QTY	DESCRIPTION	VIN/MODEL NO.	DEPARTMENT/ BASE LOCATION*
1	Street Sweeper	(to be provided w/ related Reimbursement Request)	Public Works
1	Backhoe Loader	(to be provided w/ related Reimbursement Request)	Public Works

3. *Payment Schedule.*

(a) *Rental Payments; Commencement Date.* The Rental Payments shall be in such amounts and payable on such Rental Payment Dates as set forth in the Payment Schedule attached to this Equipment Schedule as *Exhibit A* and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 4.06 of the Agreement. Lessee’s obligation to pay Rental Payments under the Lease created hereby shall commence on the earlier of (i) the date on which the Equipment listed in this Equipment Schedule is accepted by Lessee in the manner described in Section 5.01 of the Agreement, as evidenced by the Final Acceptance Certificate executed by Lessee and substantially in the form of Exhibit E attached to the Agreement, or (ii) the date on which the Acquisition Amount is deposited in an Escrow Account for the purpose of acquiring and installing the Equipment listed in this Equipment Schedule pursuant to Section 3.04(c) of the Agreement (the earlier of such two dates being herein referred to as the “*Commencement Date*”).

(b) *Prepayment Price Schedule.* The Prepayment Price on each Rental Payment Date shall be the amount set forth for such Rental Payment Date in the “Prepayment Price” column of the Payment Schedule attached to this Equipment Schedule *plus* all Rental Payments then due (including the Rental Payment due on such Rental Payment Date) *plus* all other amounts then owing under this Equipment Schedule.

4. *Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement (particularly Section 2.01 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Event of Non-appropriation under any Lease currently in effect has occurred or is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation; (e) the governing body of Lessee has authorized the execution and delivery of the Agreement and this Equipment Schedule; (f) the Equipment listed in this Equipment Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. *The Lease.* The terms and provisions of the Agreement (other than to the extent that they relate solely to other Equipment Schedules or Equipment listed on other Equipment Schedules) are hereby incorporated into this Equipment Schedule by reference and made a part hereof.

6. *Acquisition Amount.* The Acquisition Amount that Lessor shall pay to the Escrow Agent for deposit into the Escrow Account in connection with this Equipment Schedule is \$486,387.00. It is expected that by eighteen (18) months from the date of this Equipment Schedule No. 3, Lessee will have taken possession of all items of Equipment shown above and that the Lessee's final Disbursement Request pursuant to the Escrow Agreement will be signed by Lessee, approved by Lessor and delivered to the Escrow Agent on or before eighteen (18) months from the date of this Equipment Schedule.

7. *Acquisition Period.* The Acquisition Period applicable to this Equipment Schedule shall end at the conclusion of the 18th month following the date hereof.

9. *Lease Term.* The Lease Term shall consist of the Original Term and ten (10) consecutive Renewal Terms, with the final Renewal Term ending on September 2, 2031, subject to earlier termination pursuant to the Agreement.

10. *Registration.* Any Equipment that is a motor vehicle is to be registered and titled as follows:

- (a) *Registered Owner:* City of Yuba City, California
- (b) *Lienholder:* Bank of America, National Association
Northeast Center Building
2059 Northlake Parkway
Tucker, GA 30084-5321

Lessee shall be responsible for the correct titling of all Equipment leased hereunder. Lessee will cause the original Certificates of Title to be delivered to Lessor for retention in Lessor's files throughout the Lease Term of the Lease created hereby.

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Dated: December 7, 2021

LESSOR:
BANK OF AMERICA, NATIONAL ASSOCIATION
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, Maryland 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:
CITY OF YUBA CITY, CALIFORNIA
1201 Civic Center Blvd.
Yuba City, California 95993
Attention: Finance Department
Fax No.: (530) 822-4618

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Counterpart No. _____ of _____ manually executed and serially numbered counterparts. To the extent that the Lease created hereby constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT A

**PAYMENT SCHEDULE
(EQUIPMENT SCHEDULE NO. 3)**

RENTAL PAYMENT DATE	RENTAL PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	OUTSTANDING BALANCE	PREPAYMENT PRICE	CASUALTY VALUE
12/7/2021	-	-	-	\$486,387.00	N/A	\$491,250.87
3/1/2022	\$26,403.64	\$1,906.64	\$24,497.00	\$461,890.00	N/A	\$466,508.90
9/1/2022	\$26,402.88	\$3,879.88	\$22,523.00	\$439,366.99	N/A	\$443,760.65
3/1/2023	\$26,403.68	\$3,690.68	\$22,713.00	\$416,653.99	N/A	\$420,820.52
9/1/2023	\$26,402.89	\$3,499.89	\$22,903.00	\$393,751.00	N/A	\$397,688.51
3/1/2024	\$26,403.51	\$3,307.51	\$23,096.00	\$370,655.00	N/A	\$374,361.55
9/1/2024	\$26,403.50	\$3,113.50	\$23,290.00	\$347,365.00	N/A	\$350,838.65
3/1/2025	\$26,402.87	\$2,917.87	\$23,485.00	\$323,879.99	N/A	\$327,118.78
9/1/2025	\$26,403.59	\$2,720.59	\$23,683.00	\$300,196.99	N/A	\$303,198.95
3/1/2026	\$26,403.65	\$2,521.65	\$23,882.00	\$276,315.00	N/A	\$279,078.15
9/1/2026	\$26,403.05	\$2,321.05	\$24,082.00	\$252,232.99	N/A	\$254,755.31
3/1/2027	\$26,403.76	\$2,118.76	\$24,285.00	\$227,947.99	\$227,947.99	\$230,227.46
9/1/2027	\$26,402.76	\$1,914.76	\$24,488.00	\$203,459.99	\$203,459.99	\$205,494.58
3/1/2028	\$26,403.06	\$1,709.06	\$24,694.00	\$178,766.00	\$178,766.00	\$180,553.66
9/1/2028	\$26,403.63	\$1,501.63	\$24,902.00	\$153,864.00	\$153,864.00	\$155,402.64
3/1/2029	\$26,403.46	\$1,292.46	\$25,111.00	\$128,753.00	\$128,753.00	\$130,040.53
9/1/2029	\$26,403.53	\$1,081.53	\$25,322.00	\$103,430.99	\$103,430.99	\$104,465.29
3/1/2030	\$26,402.82	\$868.82	\$25,534.00	\$77,896.99	\$77,896.99	\$78,675.95
9/1/2030	\$26,403.33	\$654.33	\$25,749.00	\$52,148.00	\$52,148.00	\$52,669.48
3/1/2031	\$26,403.04	\$438.04	\$25,965.00	\$26,183.00	\$26,183.00	\$26,444.83
9/1/2031	\$26,402.94	\$219.94	\$26,183.00	-	N/A	N/A
Total	\$528,065.59	\$41,678.59	\$486,387.00			

*Includes any casualty premium, if applicable.

Contract Rate; Taxable Rate. The Contract Rate for this Equipment Schedule is 1.680% per annum. The Taxable Rate for this Equipment Schedule is 2.105% per annum.

Prepayment Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date for this Equipment Schedule is March 1, 2027.

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LESSOR:
BANK OF AMERICA, NATIONAL ASSOCIATION

LESSEE:
CITY OF YUBA CITY, CALIFORNIA

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

[Signature page to Payment Schedule (Equipment Schedule No. 3)]

ATTACHMENT 4

ESCROW AND ACCOUNT CONTROL AGREEMENT

(EQUIPMENT SCHEDULE NO. 3)

This Escrow and Account Control Agreement (this “*Agreement*”), dated as of December 7, 2021, by and among Bank of America, National Association, a national banking association organized under the laws of the United States of America, as lessor (in such capacity, together with its successors and assigns, hereinafter referred to as “*Lessor*”), the City of Yuba City, California (hereinafter referred to as “*Lessee*”) and Bank of America, National Association, a national banking association organized under the laws of the United States of America, as escrow agent (in such capacity, hereinafter referred to as “*Escrow Agent*”).

Reference is made to that certain Equipment Schedule No. 3 (the “*Equipment Schedule*”), dated December 7, 2021 to Master Equipment Lease/Purchase Agreement dated as of August 26, 2021 between Lessor and Lessee (hereinafter referred to as the “*Lease*”), covering the acquisition and lease of certain Equipment described therein (collectively, the “*Equipment*”). It is a requirement of the Lease that the Acquisition Amount of four hundred seventy-three thousand eight hundred eighty-six dollars and sixty-eight cents (\$486,387.00) (representing the total lease proceeds of the Equipment Schedule less an amount used to pay certain issuance costs at the direction of Lessee) be deposited into a segregated escrow account under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created an escrow fund to be known as the “City of Yuba City, California Equipment Schedule No. 3 Escrow Account” (the “*Escrow Account*”) to be held by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) Lessee may, from time to time, provide written instructions for Escrow Agent to use any available cash in the Escrow Account to purchase any money market fund or liquid deposit investment vehicle that Escrow Agent from time to time makes available to the parties hereto. Such written instructions shall be provided via delivery to Escrow Agent of a signed and completed Escrow Account Investment Selection Form (such form available from Escrow Agent upon request). All funds invested by Escrow Agent at the direction of Lessee in such short-term investments (as more particularly described in Escrow Agent’s Escrow Account Investment Selection Form) shall be deemed to be part of the Escrow Account and subject to all the terms and conditions of this Agreement. If any cash is received for the Escrow Account after the cut-off time for the designated short-term investment vehicle, the Escrow Agent shall hold such cash uninvested until the next Business Day. In the absence of written instructions from Lessee (on Escrow Agent’s Escrow Account Investment Selection Form) designating a short-term investment of cash in the Escrow Account, cash in the Escrow Account shall remain uninvested and it shall

not be collateralized. Escrow Agent shall have no obligation to pay interest on cash in respect of any period during which it remains uninvested. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Lessee. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this Agreement, "Qualified Investments" means any investments which meet any investments which comply with the applicable provisions of the laws of the State.

(c) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written instruction(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Escrow Account on or after the earlier of (i) the expiration of the Acquisition Period or (ii) the date on which Lessee executes an Acceptance Certificate shall be applied as provided in Section 4 hereof.

(d) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account, (ii) the date on which Lessee executes a Final Acceptance Certificate or (iii) written notice given by Lessor of the occurrence of an Event of Default under the Lease or termination of the Lease due to an Event of Non-appropriation. Notwithstanding the foregoing, this Agreement shall not terminate nor shall the Escrow Account be closed until all funds deposited hereunder have been disbursed.

(e) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. Notwithstanding and without limiting the generality of the foregoing, concurrent with the execution of this Agreement, Lessee and Lessor, respectively, shall deliver to the Escrow Agent an authorized signers form in the form of Exhibit A-1 (Lessee) and Exhibit A-2 (Lessor) attached hereto. Notwithstanding the foregoing sentence, the Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent

or given by the parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, Lessee and Lessor agree to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "*Losses*") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given by written or electronic transmission given by each, respectively, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, it being understood that forbearance on the part of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person shall not be deemed to constitute gross negligence or willful misconduct.

In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(f) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action including an interpleader action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(h) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence.

(i) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for non-routine administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, any termination of the Lease due to an Event of Non-appropriation or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(j) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the

“Effective Date”), which shall be a date not less than 60 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(k) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no implied duties responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof. Escrow Agent shall have no duty to monitor or enforce Lessee’s compliance with the foregoing covenant.

(b) Authorized Escrow Account Disbursements. It is agreed as between Lessee and Lessor that disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. All disbursements shall be made by wire transfer. The Escrow Agent is authorized to obtain and rely on confirmation of such Disbursement Request and payment instructions by telephone call-back to the person or persons designated for verifying such requests on Exhibit A-2 (such person verifying the request shall be different than the person initiating the request). The Lessor and Lessee hereby confirm that any call-back performed by Escrow Agent to verify a disbursement instruction pursuant to a Disbursement Request submitted pursuant to this Section 2(c) before release, shall be made to Lessor only and Escrow Agent shall have no obligation to call-back Lessee.

Each such Disbursement Request shall be signed by an authorized representative of Lessee (an “*Authorized Representative*”) and by Lessor, and shall be subject to the following conditions, which Escrow Agent shall conclusively presume have been satisfied at such time as a requisition executed by Lessee and Lessor is delivered to it:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1; and

2. Delivery to Lessor of copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to such Equipment has passed to Lessee) therefor as required by Section 3.04 of the Lease and any additional documentation reasonably requested by Lessor.

Lessee and Lessor agree that their execution of the form attached hereto as Schedule 1 and delivery of the executed form to Escrow Agent confirms that all of the requirements and conditions with respect to disbursements set forth in this Section 2 have been satisfied.

3. Deposit to Escrow Account. Upon satisfaction of the conditions specified in Section 3.04 of the Lease, Lessor will cause the Acquisition Amount to be deposited in the Escrow Account. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Account.

4. Excessive Escrow Account. Upon receipt of written instructions from Lessor including a representation that one of the following conditions has been satisfied (upon which representation Escrow Agent shall conclusively rely), any funds remaining in the Escrow Account on or after the earlier of (a) the expiration of the Acquisition Period or (b) the date on which Lessee executes an Acceptance Certificate, or upon a termination of the Escrow Account as otherwise provided herein, shall be distributed by the Escrow Agent to the Lessor in order for the Lessor to apply such funds to amounts owed by Lessee under the Lease in accordance with Section 4.07 of the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account, and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account, or any part thereof, is converted to investments as set forth in this Agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "*Collateral*"), Lessor, Lessee and Escrow Agent further agree as follows:

- (a) All terms used in this Section 6 which are defined in the Commercial Code of the State of California (the "*Commercial Code*") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

- (b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Provided that account investments shall be held in the name of the Escrow Agent, Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Lessee may effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 8 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below.

Notices and other communications hereunder may be delivered or furnished by electronic mail provided that any formal notice be attached to an email message in PDF format and provided further that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt. **It is understood that Bank of America, National Association is party to this Agreement in two separate and distinct capacities, Lessor and Escrow Agent, with its responsibilities in each respective capacity being administered in separate and distinct locations. It is understood and agreed that for no purpose shall notice to Bank of America, National Association in one such capacity hereunder constitute notice to Bank of America, National Association in its other capacity hereunder.**

If to Lessor:

Bank of America, National Association
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, Maryland 21031
Attn: Contract Administration
Fax: (443) 541-3057

If to Lessee:

City of Yuba City, California
1201 Civic Center
Yuba City, California
Attn: Finance Department
Fax: (530) 822-4618

If to Escrow Agent:

Bank of America, National Association
Global Custody and Agency Services
540 W. Madison Street
Mail Code: IL4-540-21-03
Chicago, Illinois 60661
Attn: GCAS AMRS Escrow Client Services
Telephone: (312) 992-3272
Fax: (312) 453-4443
Email: gcas_amrs_escrow_client_service@bofa.com

9. Lessee and Lessor understand and agree that they are required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with such Tax Certification. As used herein "Tax Certification" shall mean an IRS form W-9 or W-8 as described above. The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a foreign person, the Escrow Agent will withhold U.S. tax as required by law and report such earnings and taxes withheld, if any, for the benefit of such foreign person on IRS Form 1042-S (or any other required form), unless such earnings and withheld taxes are exempt from reporting under Treasury Regulation Section 1.1461-1(c)(2)(ii) or under other applicable law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and Lessee as payee. Escrow Agent shall recognize Lessee as the designated party for regulatory reporting purposes.

Lessee and Lessor agree that they are not relieved of their respective obligations, if any, to prepare and file information reports under Code Section 6041, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to Code Sections 483 or 1272. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

10. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the parties hereto consent to jurisdiction in the State of California and venue in any state court or any Federal court located in the State of California.

11. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything

herein to the contrary notwithstanding. Any bank or corporation into which the Lessor may be merged or with which it may be consolidated, or any bank or corporation to whom the Lessor may transfer a substantial amount of its business, shall be the successor to the Lessor without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

12. This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

13. No party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed.

14. Escrow Agent will treat information related to this Agreement as confidential but, unless prohibited by law, Lessee and Lessor authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates and other representatives and advisors of Escrow Agent and third parties selected by any of them, wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Escrow Agent and any such subsidiary, officer, affiliate or third party may transfer or disclose any such information as required by any law, court, regulator or legal process.

Lessor will treat information related to this Agreement as confidential but, unless prohibited by law, Escrow Agent and Lessee authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates, other representatives and advisors of Lessor and debt and equity sources and third parties selected by any of them, and to their prospective assignees wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Lessor and any such subsidiary, officer, affiliate, debt and equity source or third party or prospective assignee may transfer or disclose any such information as required by any law, court, regulator or legal process.

Except as otherwise required by the laws of the State, Lessee will treat the terms of this Agreement as confidential except on a “need to know” basis to persons within or outside Lessee’s organization (including affiliates of such party), such as attorneys, accountants, bankers, financial advisors, auditors and other consultants of such party and its affiliates, except as required by any law, court, regulator or legal process and except pursuant to the express prior written consent of the other parties, which consent shall not be unreasonably withheld.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Escrow and Account Control Agreement as of the date first above written.

BANK OF AMERICA, NATIONAL ASSOCIATION
as Lessor

CITY OF YUBA CITY, CALIFORNIA
as Lessee

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BANK OF AMERICA, NATIONAL ASSOCIATION
as Escrow Agent

By: _____
Name: _____
Title: _____

**SCHEDULE 1
to the Escrow and Account Control Agreement**

FORM OF DISBURSEMENT REQUEST

Re: Equipment Schedule No. 3 dated December 7, 2021 to Master Equipment Lease/Purchase Agreement dated as of August 26, 2021 by and between Bank of America, National Association, as Lessor, and the City of Yuba City, California, as Lessee (the “Lease”) (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow and Account Control Agreement, dated as of December 7, 2021 (the “Escrow and Account Control Agreement”) by and among Bank of America, National Association (“Lessor”), the City of Yuba City, California (“Lessee”) and Bank of America, National Association, as escrow agent (“Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow and Account Control Agreement for the following purposes:

Disbursement Amounts:

Payee’s Name and Address	Invoice Number	Dollar Amount	Purpose
<Payee’s Name> <Payee Address 1> <Payee Address 2> <Payee Address 3> <Payee Bank Name*> <Payee Bank ABA/Routing*> <Payee Bank Account No*> <Payee Account Name*> <*Payee Address and Payee Bank information is required. >	<invoice list OR “see attached” with a spreadsheet>	< invoice amount>	<general description of equipment; ex “police cruiser”>
<Payee’s Name> <Payee Address 1> <Payee Address 2> <Payee Address 3> <Payee Bank Name*> <Payee Bank ABA/Routing*> <Payee Bank Account No*> <Payee Account Name*> <*Payee Address and Payee Bank information is required.>	<invoice list OR “see attached” with a spreadsheet>	<invoice amount>	<general description of equipment; ex “police cruiser”>

Lessee hereby represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(i) (a) Each obligation specified in the table herein titled as “Disbursement Amounts” has been incurred by Lessee in the stated amount, (b) the same is a proper charge against the Escrow Account for costs relating to the Equipment identified in the Lease, and (c) has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof).

(ii) Each item of Equipment relating to an obligation specified in the table herein titled as “Disbursement Amounts” has been delivered, installed and accepted by Lessee. Attached hereto is a copy of the invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor’s, mechanic’s or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Equipment is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof. No Event of Non-appropriation has occurred or is threatened with respect to the Lease.

(vii) The disbursement shall occur during the Acquisition Period.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

(ix) No Material Adverse Change has occurred since the date of the execution and delivery of the Lease.

(x) The information in this Disbursement Request regarding each Payee, including their respective name, address and wiring instructions, (collectively, the “Payee Information”) is true and correct, such Payee Information has been verified and confirmed by Lessee and the Lessor can rely on Lessee’s verification and confirmation of the accuracy of such Payee Information. Lessee hereby acknowledges and agrees that any call-back performed by Lessor to verify the disbursement instructions pursuant to this Disbursement Request shall be made to Lessee only and Lessor shall have no obligation to call-back any Payee listed above.

[Remainder of page intentionally left blank]

Dated: _____

CITY OF YUBA CITY, CALIFORNIA

By: _____
Name: _____
Title: _____

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

BANK OF AMERICA, NATIONAL ASSOCIATION,
as Lessor under the Lease

By: _____
Name: _____
Title: _____

[AN "EXHIBIT A-1" MUST BE COMPLETED AND EXECUTED AT TIME OF EXECUTION OF THE AGREEMENT]

EXHIBIT A-1

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting City Clerk of the City of Yuba City, California ("*Lessee*") certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "*Officials*") in the capacity set forth opposite their respective names below and the facsimile signatures below are true and correct as of the date hereof; and

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Master Equipment Lease/Purchase Agreement dated as of August 26, 2021 (the "*Agreement*") and separate Equipment Schedules relating thereto from time to time as provided in the Agreement (collectively, the "*Equipment Schedules*"), each by and between Lessee and Bank of America, National Association ("*Lessor*"), the Escrow and Account Control Agreement dated as of December 7, 2021, by and among Lessor, Lessee and Bank of America, National Association, as Escrow Agent, all documents related thereto and delivered in connection therewith, and any future modification(s) or amendments thereof (collectively, the "*Operative Agreements*"), and the Operative Agreements each are the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

<u>Name of Official</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
[_____ *	_____	_____]

*Only authorized to execute disbursement requests under the escrow agreement.]

Dated: December 7, 2021

By: _____
_____, [Deputy City Clerk]

(The signer of this Certificate cannot be listed above as authorized to execute the Operative Agreements.)

EXHIBIT A-2

Escrow and Account Control Agreement dated as of December 7, 2021 by and among Lessor, Lessee and Escrow Agent

Certificate of Authorized Representatives – [Lessor]

Name: Bridgett Arnold

Name: Jessica Perkins

Title: Vice President

Title: Operations Consultant

Phone: 415-765-1867

Phone: 401-854-5717

Facsimile: 415-765-7373

Facsimile: N/A

E-mail: Bridgett.arnold@bofa.com

E-mail: Jessica.Perkins2@bofa.com

Signature: 

Signature: 

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: Augustine Reichenbach

Name: Kristen Turcone-Mariani

Title: Assistant Vice President

Title: Senior Operations Consultant

Phone: 443-541-2613

Phone: 401-854-5525


Facsimile: 904-312-6101

Facsimile: N/A

E-mail: Augustine.reichenbach@bofa.com

E-mail: Kristen.turcone-mariani@bofa.com

Signature: 

Signature: 

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: Terri Preston

Title: Senior Vice President

Phone: 443-541-3642

Facsimile: 804-553-8124

E-mail: Terri.preston@bofa.com

Signature: 

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others


Name: Alicia Cosby

Title: Operations Analyst

Phone: 443-541-3651

Facsimile: N/A

E-mail: Alicia.cosby@bofa.com

Signature: 

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

The Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the person or persons identified above including without limitation, to initiate and verify funds transfers as indicated.

Bank of America, National Association

By: _____

Name:

Title:

Date: December 7, 2021