RESOLUTION NO. ____________

A RESOLUTION OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER TAX-EXEMPT EQUIPMENT LEASE PURCHASE AGREEMENT AND RELATED LEASE SCHEDULE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH

WHEREAS, City of Fresno, a Charter City and California municipal corporation (City), is authorized by its Charter and the laws of the State of California to purchase, acquire, and lease personal property for the benefit of the City and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the City desires to purchase, acquire, and lease certain equipment constituting personal property necessary for City operations; and

WHEREAS, to acquire such equipment, the City as Lessee proposes to enter that certain Master Tax-Exempt Equipment Lease Purchase Agreement (Agreement) and related Lease Schedule with Banc of America Public Capital Corp., LLC, (Lessor); and

WHEREAS, the City entering into the Agreement and related Lease Schedule will benefit the City and the efficient and effective administration of City operations.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. Approval of Documents. Council approves the Agreement, and the Lease Schedule, as provided in the Agreement, substantially in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by either the City

Date Adopted:
Date Approved:
Effective Date:
City Attorney Approval: *SS*

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Manager, City Controller, or Assistant City Controller, and approved to form by the City Attorney's Office.

2. Authority to Execute Documents. Council authorizes and directs either the City Manager, City Controller, or Assistant City Controller to execute the Agreement, the Lease Schedule, and any related Exhibits attached thereto and to deliver the Agreement to the respective parties thereto.

3. Other Actions Authorized. Council authorizes the above named City officers and employees to take all action reasonably required to effectively carry out the transactions contemplated in the Agreement and the Lease Schedule. Actions may include, without limitation, executing and delivering Acceptance Certificates, any tax certificates and agreements, closing and other documents all as required under and consistent with the Agreement and the Lease Schedule.

4. Authorizing City Representatives. Council designates and authorizes the City Manager, City Controller, or Assistant City Controller, each acting alone, to represent the City in carrying out the Agreement and the Lease Schedule until such time as the Council shall designate any other or different authorized representatives for such purpose.

5. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held invalid or unenforceable, the invalidity or unenforceability shall not affect any other section, paragraph, clause, or provision of this resolution.

6. This resolution shall be effective upon final approval.

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STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, AMY K. ALLER, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the __________ day of ________________ 2026.

AYES :
NOES :
ABSENT :
ABSTAIN :

AMY K. ALLER
City Clerk

By: ______________________________
Date
Deputy

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By: ______________________________
Sukhman S. Sekhon Date
Deputy City Attorney

Attachments: Exhibit A - Master Tax Exempt Equipment Lease Purchase Agreement

BANK OF AMERICA

Master Tax-Exempt Equipment Lease/Purchase Agreement

Customer Contact Information

Lessee Full Legal Name **CITY OF FRESNO, CA**				
Contact Person **SANTINO DANISI**		Contact Phone No.	Contacts Fax No.	State of Organization **CALIFORNIA**
Address **2600 FRESNO ST**	City **FRESNO**	County	State **CALIFORNIA**	Zip **93721**

THIS MASTER TAX-EXEMPT EQUIPMENT LEASE/PURCHASE AGREEMENT NO. 3248409 (this "**Agreement**") is made as of **8/15/2026**, by and between **BAPCC, LLC**, as lessor ("**Lessor**"), and **CITY OF FRESNO, CA** as lessee ("**Lessee**").

In consideration of the mutual covenants, terms and conditions hereinafter contained, Lessee hereby agrees to acquire, purchase and lease all the equipment identified in each Lease Schedule ("**Equipment**") that may from time to time be executed by Lessor and Lessee pursuant hereto (each a "**Schedule**"), and Lessor hereby agrees to furnish the Equipment under each Schedule to Lessee, all on the terms and conditions set forth in this Agreement. Each Schedule executed and delivered by Lessor and Lessee pursuant to this Agreement shall constitute a separate and independent Lease (described below). When used herein the term "**Lease**" means a Schedule and the terms of this Agreement which are incorporated by reference into such Schedule, together with the Exhibits attached to each such Schedule.

This Agreement is not a commitment by Lessor to enter into any Lease not currently in effect, and nothing in this Agreement shall impose, or be construed to impose, any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion.

Terms/Conditions

1. TERM.
(a) Commencement of Term. This Agreement shall be effective, and the parties' obligations hereunder shall arise, as of the date hereof. The term of this Agreement shall commence on the date set forth above and will continue so long as any amount remains unpaid under a Lease. The original term of each Lease begins as of the date identified in such Lease and shall terminate on the last business day of Lessee's then current fiscal year in which such Lease is executed and delivered (such period the "**Original Term**").

(b) Renewal of Term. Subject to the provisions of Section 10 hereof and subsection (e) of this Section, the Original Term of each Lease will be automatically and successively renewed at the end of the Original Term under the same terms and conditions for successive renewal periods (each a "**Renewal Term**"), with the last of such Renewal Terms to end on the last day of the Full Lease Term, as specified on each Schedule executed by Lessee.

(c) Termination of Term. The term of each Lease will terminate upon the earliest to occur of any of the following events: (1) the expiration of the Original Term or any Renewal Term under such Lease and the nonrenewal thereof in accordance with the terms and conditions of this Agreement; (2) the purchase of the Equipment subject to such Lease by Lessee under the provisions of Section 8(c) or 10 of this Agreement; (3) a default under such Lease by Lessee and Lessor's election to terminate Lessee's rights therein under Section 13 of this Agreement; or (4) the payment by Lessee of all rental payments to be paid by Lessee under such Lease with respect to the Equipment.

(d) Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of subsection (e) of this Section, to continue the term of each Lease hereunder through the Original Term and all Renewal Terms for the respective Full Lease Term and to pay the rental payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all rental payments under each Lease for the respective Full Lease Term of each Lease can be obtained and further intends to do all things lawfully within its power to obtain appropriated funds for the payment of all rental payments required to be paid under each Lease in each next succeeding Renewal Term and to maintain such funds from which the rental payments may be made.

(e) Nonappropriation. In the event that sufficient funds are not appropriated for the payment of all rental payments required to be paid under each Lease in the next succeeding Renewal Term, then such Leases shall terminate at the end of the Original Term or the then current Renewal Term, as the case may be, and Lessee shall not be obligated to make payment of the rental payments provided for in the Leases beyond the then current term. Lessee agrees to give notice to Lessor of such termination at least 60 days prior to the end of the then current term or, if nonappropriation has not occurred by that date, promptly upon the occurrence of nonappropriation. If the Leases are terminated under this subsection, Lessee agrees, at Lessee's sole cost and expense, peaceably to deliver the

Equipment under all Leases to Lessor at such location in the continental United States as is specified by Lessor, in the condition required by Section 5(b) hereof, on or before the effective date of termination.

2. RENTAL PAYMENTS.
(a) Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay rental payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

(b) Payment of Rental Payments. Lessee shall pay rental payments for the Equipment identified in each Schedule exclusively from legally available funds, in lawful money of the United States of America, to Lessor in the amounts and on the rental payment due dates set forth in each Schedule without notice. In the event that any rental payment due under any Lease is not received by Lessor on or before the due date therefor, Lessee agrees to pay a late charge determined on the basis of accrued interest on the delinquent amount at the rate of 1% per month (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law) from the date of delinquency to the date that such rental payment is received by Lessor.

(c) Interest and Principal Components. As set forth in each Schedule, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal.

(d) Rental Payments to Be Unconditional. The obligation of Lessee to make rental payments under each Lease, and to perform and observe the covenants and agreements contained in this Agreement, shall be absolute and unconditional in all events, except as expressly provided in this Agreement including particularly Section 1(e) hereof. Lessee shall not assert any right of setoff, counterclaim or abatement against its obligations under any Lease, including (without limitation) by reason of Equipment failure, disputes with the vendor(s) or manufacturer(s) of the Equipment or Lessor, accident or any unforeseen circumstances.

(e) Allocation of Rental Payments. Rental payments payable pursuant to each Lease shall be allocated to the Equipment subject to such Lease (in each case, pro rata based upon the respective capital cost of the items of such Equipment) as follows: (i) first, among the items of Equipment with the shortest estimated useful lives, and (ii) thereafter, among the items of Equipment with the relatively longer useful lives, in each case to reflect the respective fair rental value of each item of Equipment leased hereunder for its respective useful life.

3. REPRESENTATIONS AND COVENANTS OF LESSEE. Lessee represents, covenants and warrants to Lessor as follows: (a) Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such; (b) Lessee is authorized under the Constitution and laws of the State identified in each Schedule (the "**State**") to enter into this Agreement, each Lease and the transactions contemplated thereby and to perform all of its obligations under each Lease; (c) Lessee's name as indicated in the opening paragraph and on the signature page of this Agreement is its true, correct and complete legal name; (d) the execution and delivery of this Agreement and each Lease by or on behalf of Lessee has been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained such other approvals and consents as are necessary to consummate this Agreement and each Lease; (e) all requirements have been met, and procedures have occurred, necessary to ensure the enforceability of this Agreement and each Lease against Lessee, and that Lessee has complied with such public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition of the Equipment by Lessee under each Lease; (f) Lessee shall cause to be executed an Incumbency Certificate and Authorization of Lessee in substantially the same form as Exhibit A attached hereto and an Opinion of Lessee's Counsel in substantially the same form as Exhibit B attached hereto. (g) Lessee's present intention is to make rental payments under each Lease for the Original Term and all Renewal Terms applicable thereto as long as it has legally available funds; (h) the use and operation of the Equipment under each Lease is essential to its proper, efficient and economic governmental operation and Lessee does not intend to sell or otherwise dispose of the Equipment under any Lease or any interest therein prior to the last rental payment (including all Renewal Terms) scheduled to be paid under such Lease; (i) within 150 days after the end of each fiscal year of Lessee during the term of each Lease, Lessee shall provide Lessor with a copy of its audited financial statements for such fiscal year, along with budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue such Lease as may reasonably be requested by Lessor; (j) the Equipment under each Lease is, and shall remain during the term of such Lease, personal property and when subject to use by Lessee under such Lease will not be or become fixtures; (k) Lessee acknowledges that Lessor is acting only as a financing source with respect to the Equipment under each Lease, which has been selected by Lessee; (l) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of the Agreement and each Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder and thereunder; (m) (1) neither Lessee nor any of its affiliates or, to the knowledge of Lessee, any director, officer, employee, agent, affiliate or representative of Lessee or any of its affiliates, is currently the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("Sanctions"), (2) the proceeds of any transaction hereunder will not be used for the benefit of any person subject to Sanctions or to fund activities in a location that is the subject of Sanctions, and (3) the Equipment will not be used in any location that is the subject of Sanctions.

4. TITLE TO EQUIPMENT; SECURITY INTEREST.

(a) Title to the Equipment. During the term of each Lease, title to the Equipment identified therein shall vest in Lessee, subject to the rights of Lessor under such Lease. In the event of a default as set forth in Section 13 hereof or nonappropriation as set forth in Section 1(e) hereof, title in and to the Equipment under all Leases shall immediately vest in Lessor.

(b) Security Interest. To secure the prompt payment and performance as and when due of all of Lessee's obligations under each Lease, Lessee hereby grants to Lessor a first priority security interest in the Equipment delivered under each Lease, all replacements, substitutions, accessions and proceeds (cash and non-cash), including the proceeds of all insurance policies, thereof. Lessee agrees that with respect to the Equipment delivered under each Lease, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State ("**UCC**"). Lessee may not dispose of any item of the Equipment delivered under any Lease without the prior written consent of Lessor, notwithstanding the fact that proceeds constitute a part of such Equipment.

5. USE AND MAINTENANCE.

(a) Use. Lessee shall use the Equipment under each Lease solely for the purpose of performing one or more governmental functions of Lessee and in a careful, proper and lawful manner consistent with the requirements of all applicable insurance policies relating to such Equipment. Lessee will not change the location of any items of Equipment under any Lease from that specified in the respective Certificate of Acceptance provided with each Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment under any Lease to or in any other item of equipment in such a manner that such Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment.

(b) Maintenance. Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment under each Lease in as good an operating condition as when delivered to Lessee under such Lease, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs reasonably necessary for such purpose. All replacement parts and accessions shall be free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessions replaced. Lessee shall not make any material alterations to the Equipment under any Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. All additions to the Equipment under any Lease which are essential to its operation, or which cannot be detached without materially interfering with such operation or adversely affecting such Equipment's value and utility, shall immediately be deemed incorporated in such Equipment and subject to the terms of such Lease as if originally leased thereunder, and subject to the security interest of Lessor. Upon reasonable advance notice, Lessor shall have the right to inspect the Equipment under each Lease and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

6. FEES; TAXES, OTHER GOVERNMENTAL AND UTILITY CHARGES; LIENS.

(a) Fees. Lessee shall timely pay all titling, recordation, documentary stamp and other fees whatsoever, whether payable by Lessor or Lessee, arising at any time prior to or during the Full Lease Term of each Lease, or upon or relating to the Equipment under each Lease, the rental payments under each Lease or the use, registration, rental, shipment, transportation, delivery, ownership or operation of the Equipment under each Lease and on or relating to each Lease.

(b) Taxes, Other Governmental Charges and Utility Charges. The parties contemplate that the Equipment under each Lease will be used for a governmental purpose of Lessee and that the Equipment under each Lease will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment under any Lease is found to be subject to taxation in any form (except for net income taxes of Lessor), Lessee will pay, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied during the Full Lease Term of such Lease against or with respect to the Equipment under such Lease, as well as all utility and other charges incurred in the operation and use of the Equipment under such Lease.

(c) Liens. Lessee shall keep the Equipment under each Lease free and clear of all liens, levies and encumbrances, except those created under such Lease.

7. INSURANCE.

(a) Casualty Insurance. At its own expense, Lessee shall throughout the term of each Lease keep the Equipment thereunder insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the Full Insurable Value of the Equipment. As used herein, "**Full Insurable Value**" means the full replacement value of the Equipment under a Lease or the Prepayment Amount applicable to the immediately preceding rental payment due date as designated on the respective Schedule, whichever is greater. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor and Lessee, as their interests may appear, and Lessee shall utilize its best efforts to have all checks relating to any losses delivered promptly to Lessor. If Lessee insures similar properties against casualty loss by self-insurance, with Lessor's prior written consent, Lessee may satisfy its obligations with respect to casualty insurance under each Lease by means of a self-insurance fund reasonably acceptable to Lessor. The Net Proceeds of the insurance required hereby shall be applied as provided in Section 8 hereof. As used herein, "**Net Proceeds**" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deduction of all expenses (including attorneys' fees) incurred in the collection of such claim or award.

(b) Liability Insurance. Lessee shall throughout the term of each Lease carry public liability insurance, both personal injury and property damage, covering the Equipment under such Lease in an amount as Lessor may from time to time reasonably require on notice to Lessee. Lessor shall be named as an additional insured with respect to all such liability insurance. With Lessor's prior written consent, Lessee may satisfy its obligations with respect to liability insurance under each Lease by maintaining a funded self-insurance plan.

(c) Worker's Compensation. Lessee shall throughout the term of each Lease carry worker's compensation insurance covering all employees working on, in, near or about the Equipment under such Lease, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Equipment under each Lease to carry such coverage throughout the Full Lease Term of such Lease.

(d) General Requirements. All insurance required under this Section 7 shall be in form and amount and with companies reasonably satisfactory to Lessor except as otherwise expressly provided in each Lease. Lessee shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage, annually throughout the Full Lease Term of each Lease. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that (i) it will give Lessor 30 days' prior written notice of the effective date of any material alteration or cancellation of such policy, and (ii) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with respect to such policy or policies.

8. RISK OF LOSS; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS.

(a) Risk of Loss. Lessee assumes all risk of loss of or damage to the Equipment under each Lease from any cause whatsoever, except for loss or damage caused by gross negligence or intentional wrongful conduct of Lessor or its representatives, and no such loss of or damage to the Equipment under any Lease, defect therein or unfitness or obsolescence thereof, shall relieve Lessee of its obligation to make rental payments or perform any other obligations under such Lease
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(b) Damage, Destruction and Condemnation. If prior to the termination of the Full Lease Term of a Lease (i) the Equipment under such Lease or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (ii) title to, or the temporary use of, the Equipment under such Lease or any part thereof or the estate of Lessee or Lessor in the Equipment under such Lease or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to Lessee's obligations pursuant to subsection (c) of this Section.

(c) Use of Net Proceeds. With respect to each Lease, provided that the Equipment under a Lease is not deemed to be a total loss, Lessee shall, at its expense (subject to application of the Net Proceeds), cause the prompt repair, replacement or restoration of the affected Equipment under such Lease. In the event that the Equipment under such Lease is totally destroyed or damaged and Lessee is unable to make arrangements satisfactory to Lessor for the prompt replacement thereof, Lessee shall pay to Lessor, on the rental payment due date next succeeding the date of such loss, the Prepayment Amount applicable to such rental payment due date plus the rental payment due on such date and any other amounts then payable by Lessee under such Lease. Upon such payment, the term of the Lease and the security interest of Lessor in the Equipment under such Lease shall terminate, and Lessee will acquire full and unencumbered title to such Equipment as provided in Section 10 hereof. If Lessee is not then in default under such Lease, any portion of the Net Proceeds in excess of the amount required to pay in full Lessee's obligations as set forth in this subsection (c) shall be for the account of Lessee. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations under such Lease as set forth in this subsection (c), Lessee shall make such payments to the extent of any deficiency, but only from funds legally available for such purpose.

9. DISCLAIMER OF WARRANTIES. LESSOR, NOT BEING A SELLER (AS SUCH TERM IS DEFINED IN THE UCC) OF ANY EQUIPMENT UNDER ANY LEASE, NOR A SELLER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the vendor(s) or manufacturer(s) to Lessor are hereby assigned to Lessee for and during the Full Lease Term of each Lease and Lessee agrees to resolve all such claims directly with the vendor(s) or manufacturer(s). Provided that Lessee is not then in default under a Lease, Lessor shall cooperate fully with Lessee with respect to the resolution of such claims, in good faith and by appropriate proceedings at Lessee's expense. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rental payments under each Lease.

10. PURCHASE OF EQUIPMENT BY LESSEE; PREPAYMENT. Provided that Lessee is not then in default under any Lease, such Lease will terminate, the security interest of Lessor in the Equipment under such Lease will be terminated and Lessee will acquire title to the Equipment under such Lease free and clear of all liens and encumbrances created by, or arising through or under, Lessor: (a) at the end of the Full Lease Term of such Lease, upon payment in full of all rental payments and other amounts payable by Lessee under such Lease for the Full Lease Term of such Lease; or (b) on any rental payment due date, upon payment by Lessee of the then applicable Prepayment Amount under such Lease as set forth on the pertinent Schedule plus the rental payment due on such date and all other amounts then due by Lessee under such Lease, provided that Lessee shall have given Lessor not less than 30 days' prior written notice of its intent to make such payment.

11. QUIET POSSESSION. Lessor represents and covenants to Lessee that Lessor has full authority to enter into this Agreement and each Lease, and that, conditioned upon Lessee performing all of the covenants and conditions under a Lease, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment under such Lease during the term of such Lease subject to the terms and provisions thereof.

12. ASSIGNMENT; SUBLEASING; INDEMNIFICATION.

(a) <u>Assignment by Lessor</u>. Any Lease, and the rights of Lessor thereunder and in and to the Equipment under such Lease and the pertinent Schedule, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assignees at any time without the necessity of obtaining the consent of Lessee. Lessee agrees to make all payments as designated in a notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of such Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assignees. Lessee hereby appoints Lessor and its assigns as its agents to maintain a record of all assignments of this Agreement in a form sufficient to comply with the registration requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time, and Lessor agrees to cause such registration record to be maintained. Lessee agrees to execute all documents, including without limitation, a Notice and Acknowledgement of Sale of Rental Payments and Assignment of Lease, which may reasonably be requested by Lessor or its assignees to protect their interests in the Equipment under such Lease and in such Lease.

(b) <u>No Sale, Assignment or Subleasing by Lessee</u>. This Agreement, any Lease or the interest of Lessee in the Equipment under any Lease may not be sold, assigned, sublet or encumbered by Lessee without the prior written consent of Lessor.

(c) <u>Release and Indemnification Covenants</u>. To the extent permitted by the laws and Constitution of the State, Lessee hereby assumes and agrees to indemnify, protect, save and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of (i) the ordering, acquisition, delivery, installation or rejection of the Equipment under any Lease; (ii) the possession, maintenance, use, condition (including, without limitation, latent and other defects whether or not discoverable by Lessor or Lessee, any claim in tort, including actions for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment under any Lease (by whomsoever used or operated); or (iii) the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment under any Lease, or any item thereof. Lessor shall give

Lessee prompt notice of any claim or liability hereby indemnified against and Lessee shall be entitled to control the defense thereof, so long as Lessee is not in default under the pertinent Lease.

13. EVENTS OF DEFAULT AND REMEDIES.

(a) Events of Default. The following shall be events of default with respect to a Lease and the terms "**event of default**" and "**default**" shall mean, whenever they are used in a Lease, any one or more of the following events: (1) failure by Lessee to pay any rental payment under such Lease or other payment required to be paid thereunder within 5 days of the due date therefor; or (2) failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed under such Lease and such failure shall continue unremedied for a period of 30 days after written notice specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or (3) any certificate, statement, representation, warranty or audit contained in such Lease or theretofore or thereafter furnished with respect to such Lease by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or (4) commencement by Lessee of a case or proceeding under the federal bankruptcy laws or filing by Lessee of any petition or answer seeking relief under any existing or future bankruptcy, insolvency or other similar laws or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or (5) a petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar laws shall be filed and not withdrawn or dismissed within 60 days thereafter; or (6) an actual or attempted sale, lease or encumbrance of any of the Equipment under such Lease or any item thereof or any attachment, levy or execution is levied upon or against any of the Equipment under such Lease or any item thereof; or (7) the occurrence of an event of default under any other Lease.

(b) Remedies on Default. Whenever any event of default under a Lease shall have occurred and be continuing, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies: (1) with or without terminating such Lease, retake possession of the Equipment under such Lease or items thereof and sell, lease or sublease items of the Equipment under such Lease for the account of Lessee, with the net amount of all proceeds received by Lessor to be applied to Lessee's obligations under such Lease, including, but not limited to, all payments due and to become due during the Full Lease Term of such Lease, holding Lessee liable for the excess (if any) of: (i) the rental payments payable by Lessee under such Lease to the end of the Original Term or then current Renewal Term of such Lease (whichever is applicable) and any other amounts then payable by Lessee under such Lease (including but not limited to attorneys' fees, expenses and costs of repossession), over (ii) the net purchase price or rent and other amounts paid by a purchaser, lessee or sublessee of the Equipment under such Lease pursuant to such sale, lease or sublease, provided that the excess (if any) of such amounts over the Prepayment Amount applicable to the last rental payment due date of the Original Term or Renewal Term of such Lease (whichever is applicable) and the amounts referred to in clause (i) shall be paid to Lessee; (2) require Lessee at Lessee's risk and expense promptly to return the Equipment under such Lease to Lessor in the manner and in the condition set forth in Section 5(b) hereof at such location in the continental United States as is specified by Lessor; (3) if Lessor is unable to repossess the Equipment under such Lease for any reason, the Equipment under such Lease shall be deemed a total loss and Lessee shall pay to Lessor the amount due pursuant to Section 8 hereof; and (4) exercise any other right, remedy or privilege which may be available to it under applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of such Lease, to recover damages for the breach of such Lease or to rescind such Lease as to the Equipment. In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs, reasonably incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

(c) No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and as provided in each Lease or now or hereafter existing at law or in equity. Lessor's remedies hereunder and as provided in each Lease may be exercised separately with respect to items of the Equipment under a Lease or in the aggregate with respect to the Equipment under all Leases. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

14. TAX COVENANTS

(a) Tax-Exempt Interest. The parties assume that Lessor can exclude the interest component of the rental payments under each Lease from federal gross income. Lessee covenants and agrees that it will (i) complete and timely file an IRS Form 8038-G (or, if the invoice price of the Equipment under a lease is less than $100,000, a Form 8038-GC) with the Internal Revenue Service ("**IRS**") in accordance with Section 149(e) of the Code; (ii) not permit the Equipment under any Lease to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy the IRS' guidelines for permitted management contracts, as the same may be amended from time to time; and (iii) comply with all provisions and regulations applicable to excluding the interest component of the rental payments under each Lease from federal gross income pursuant to Section 103 of the Code.

(b) Covenants. If Lessor either (i) receives notice, in any form, from the IRS; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any rental payment under a Lease from federal gross income because Lessee breached a covenant contained in this Section 14 as provided in such Lease, then Lessee shall pay to Lessor, within 30 days after Lessor notifies Lessee of such determination, the amount which, with respect to rental payments previously paid under such Lease and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all rental payments due under such Lease through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by such Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent under such Lease to Lessor on each succeeding rental payment due date in such amount as will maintain such after-tax yield to Lessor. Notwithstanding anything in this subsection (b) or elsewhere in this Agreement to the contrary, any amount payable by Lessee pursuant to this subsection (b) as provided in a Lease shall be payable solely from funds legally available for such purpose and shall be subject to Section 1(e) hereof.

(c) Certificate if Bank Qualified. If applicable, a certificate of an authorized official of Lessee designating a Lease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code will be provided to Lessor.

(d) Certificate as to No Arbitrage. Unless a separate No Arbitrage Certificate is delivered to Lessor with respect to a Lease, by its execution and delivery of this Agreement, Lessee certifies and makes the following representations and covenants as of the Commencement Date of each Lease, as set forth in each Schedule: (i) the estimated total costs, including taxes, freight, installation and cost of issuance of the Equipment under the respective Lease will not be less than the total principal amount of the rental payments due for such Lease; (ii) the Equipment under the respective Lease has been ordered or is expected to be ordered within six (6) months and the Equipment is expected to be delivered and installed, and the vendor(s) and/or manufacturer(s) paid in full, within one (1) year from the Commencement Date of such Lease; (iii) Lessee will pursue the completion of the delivery and installation of the Equipment and the expenditure of the net proceeds of the respective Lease with due diligence; (iv) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund that is reasonably expected to be used to pay the rental payments under the respective Lease or that may be used solely to prevent a default in the payment of the rental payments under the respective Lease; (v) the Equipment under the respective Lease has not been and is not expected to be sold or otherwise disposed of by the Lessee, either in whole or in major part, prior to the final rental payment due under such Lease; (vi) there are no other obligations of the Lessee which are being sold within 15 days of the Commencement Date of the respective Lease, nor which are being sold pursuant to the same plan of financing as such Lease, nor which are expected to be paid from substantially the same source of funds; and (vii) the officer or official who has executed the respective Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of such Lease, and, to the best of Lessee's knowledge, information and belief, the facts and estimates set forth herein are accurate and the expectations of Lessee set forth herein are reasonable.

15. LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to perform or comply with any of its agreements contained in a Lease, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the rate of 12% per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law), shall be payable by Lessee upon demand. With respect to each Lease, within 10 days of receipt, Lessee shall execute, endorse and deliver to Lessor any deed, conveyance, assignment or other instrument in writing as may be required to vest in Lessor any right, title or power which by the terms of such Lease are expressed to be conveyed or conferred upon Lessor, including, without limitation: (a) UCC financing statements (including continuation statements), real property waivers; (b) documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by the provisions of Section 7 hereof to the extent that the same relate to the Equipment under such Lease; and (c) upon an event of default or nonappropriation under any or all Leases or times thereafter as Lessor in its sole and absolute discretion may determine, any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment under any or all Leases in order to vest title in Lessor and transfer possession to Lessor. Further, to the extent permitted by law, Lessee appoints Lessor as its attorney-in-fact for the limited purpose of, and with the full authority to, execute and file UCC financing statements (including continuation statements), which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment under each Lease or for the confirmation or perfection of each Lease and Lessor's rights under each Lease, in the name and on behalf of Lessor, and agrees that photocopies of originally executed UCC financing statements (including continuation statements) may be filed in the appropriate recordation offices as originals.

16. LICENSED SOFTWARE.

(a) Licensed Software. Equipment subject to a Lease may include any combination or all of computer hardware, Licensed Software and capitalizable consulting and other services. "**Licensed Software**" means the license for the software products and materials described in a Schedule, if applicable, including the related services and upgrades or updates made pursuant to the license, any replacements or substitutions therefor, and other rights granted in a software license agreement.

(b) Effect of Nonappropriation on Licensed Software. Notwithstanding anything to the contrary herein, to the extent that any of the Equipment includes or constitutes Licensed Software and nonappropriation occurs, Lessee hereby agrees (1) to cease immediately all further use of such Licensed Software and, to the extent required under the applicable software license agreement, return such Licensed Software to the licensor thereof; (2) to destroy any and all remaining copies of the Licensed Software in the possession or under the control of Lessee; and (3) to discontinue use of any services provided with respect to such Licensed Software. Lessee acknowledges that Lessor may request the licensor to immediately terminate all licenses granted to Lessee related to any Licensed Software subject to a Lease upon the occurrence of nonappropriation and to withhold support, consulting and all other related services.

(c) Title to Licensed Software; Insurance. Notwithstanding anything to the contrary herein, title to the Equipment shall vest in Lessee, subject to the rights of Lessor hereunder, and subject to the terms of any applicable software license with respect to Licensed Software. Any software license agreement or other agreement covering Licensed Software shall be separate and distinct from this Agreement, and Lessor shall not have any rights or obligations under such software license or other agreement unless otherwise agreed in writing. The rental charges on any Schedule attributable to the financing of Licensed Software shall be deemed rental payments hereunder. Lessee and Lessor agree that any language pertaining to Lessor's ownership of the Equipment does not apply to Licensed Software. In the event of a default or nonappropriation, title to the Equipment (other than Licensed Software) shall immediately vest in Lessor. The security interest granted to Lessor pursuant hereto includes Lessee's rights to the Licensed Software, but excludes intellectual property related to the Licensed Software. Notwithstanding anything to the contrary herein, requirements hereunder regarding insurance of the Equipment shall not apply to Licensed Software.

(d) Enhancements. Notwithstanding anything to the contrary herein, Lessee shall install all later production versions and maintenance or enhancement releases received under the license agreement relating to the portion (if any) of the Equipment that consists of Licensed Software or any maintenance or service agreement.

(e) Indemnification. In addition to the indemnities that Lessee agrees to provide pursuant hereto, to the extent permitted by the laws and Constitution of the State, Lessee hereby assumes and agrees to indemnify, protect, save and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of any termination of licenses with respect to Licensed Software or withholding of support, consulting or other services in connection with Lessor's exercise of its rights upon the occurrence of nonappropriation or an event of default.

(f) Default and Remedies with Respect to Licensed Software. Notwithstanding anything to the contrary herein, upon the occurrence of an event of default Lessor shall not be entitled to retake possession of Licensed Software. To the extent that an event of default occurs, Lessee hereby agrees (1) to cease immediately all further use of any Licensed Software and, to the extent required under the applicable software license agreement, return such Licensed Software to the licensor thereof; (2) to destroy any and all remaining copies of the Licensed Software in the possession or under the control of Lessee; and (3) to discontinue use of any services provided with respect to such Licensed Software. Lessee acknowledges that Lessor may request the licensor to immediately terminate all licenses granted to Lessee related to any Licensed Software subject to the Agreement upon the occurrence of an event of default and to withhold support, consulting and all other services. Lessee agrees to permit Lessor's verification of Lessee's cessation of use of the Licensed Software.

17. MISCELLANEOUS.

(a) Notices. All notices (excluding billings and communications in the ordinary course of business) under a Lease shall be in writing, and shall be sufficiently given and served upon the other party if delivered (i) personally, (ii) by United States registered or certified mail, return receipt requested, postage prepaid, (iii) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available; or (iv) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

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(b) Binding Effect. This Agreement and each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

(c) Severability; Survival. Any provision of this Agreement or any Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or any such Lease, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision of this Agreement or any Lease prohibited or unenforceable in any respect. The representations, warranties and covenants of Lessee in this Agreement and in each Lease shall be deemed to be continuing and to survive the closing under this Agreement and each Lease. Each execution by Lessee of a Certificate of Acceptance in connection with a Lease shall be deemed a reaffirmation and warranty that there has been no material adverse change in the financial condition of Lessee from the date of execution of this Agreement or such Lease. The obligations of Lessee under Sections 1(e), 6, 12(c) and 14, which accrue during the term of this Agreement and are incorporated into each Lease, shall survive the termination of this Agreement or any Lease.

(d) Execution in Counterparts; Chattel Paper. This Agreement and each Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that only the counterpart marked “Original” shall constitute chattel paper for purposes of the UCC.

(e) Administrative. Lessee agrees that Lessor or its assignee may treat executed faxes or photocopies delivered to Lessor as original documents; however, Lessee agrees to deliver original signed documents as requested. Lessee agrees that Lessor may insert the appropriate administrative information to complete this Agreement. Lessor will provide a copy of the final Agreement upon request.

(f) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

(g) Captions. The captions in this Agreement and each Lease are for convenience of reference only and shall not define or limit any of the terms or provisions of this Agreement or any Lease.

(h) Entire Agreement. This Agreement and each Lease (including the Exhibits attached thereto), constitute the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement or any Lease shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given except that Lessor may insert the serial number and additional description details in any Schedule of any item of Equipment after delivery thereof. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement, any Lease or the Equipment leased under any Lease. Any terms and conditions of any purchase order or other document (with the exception of supplements) submitted by Lessee in connection with this Agreement or any Lease which are in addition to or inconsistent with the terms and conditions of this Agreement or any such Lease will not be binding on Lessor and will not apply to this Agreement or any such Lease. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement and any Lease, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above set forth.

CITY OF FRESNO, CA as Lessee	BAPCC, LLC as Lessor
By:	By:
Name: **SANTINO DANISI**	Name:
Title: **CONTROLLER**	Title:

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BAPCC, LLC

LEASE SCHEDULE

MASTER TAX-EXEMPT EQUIPMENT LEASE/PURCHASE AGREEMENT
AGREEMENT NO.: **3248409**

DATE OF MASTER EQUIPMENT
LEASE-PURCHASE AGREEMENT: **8/15/2026**

LEASE SCHEDULE NO.: **A324840900**

DATE OF LEASE SCHEDULE: **8/15/2026**

COMMENCEMENT DATE: **8/15/26**

FULL LEASE TERM: **5** Years From the Date of Lease Schedule.

Rental payments are payable **ANNUAL** in **ADVANCE** of the period to which they relate. Rental payment due dates will be based on the Commencement Date, and established in Lessor's notification to Lessee of the Commencement Date.

LESSEE: **CITY OF FRESNO, CA**

1. DESCRIPTION OF THE EQUIPMENT:

SUPPLIER	QUANTITY	DESCRIPTION OF UNITS OF EQUIPMENT	SERIAL NUMBERS* (IF AVAILABLE)

See Preliminary Equipment Description attached hereto and made a part hereof together with all accessories, attachments, substitutions and accessions.

2. EQUIPMENT LOCATION:

2600 FRESNO ST

FRESNO, CALIFORNIA 93721

* Lessee authorizes Lessor to insert serial numbers and additional description details of Equipment when determined by Lessor as provided in Section 16(g) of the Master Equipment Lease/Purchase Agreement.

3. The Rental Payments shall be made for the Equipment as follows:

DATE	PAYMENT	INTEREST	PRINCIPAL	PURCHASE OPTION PRICE*

See Schedule of Payments attached hereto and made a part hereof.

4. For purposes of this Lease, "State" means the State of **CALIFORNIA.**

5. Lessee's current Fiscal Period extends from July 1st, 2026 to June 30th, 2027.

6. The terms and provisions of the Master Tax-Exempt Equipment Lease/Purchase Agreement described above (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

7. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in such Master Tax-Exempt Equipment Lease/Purchase Agreement (particularly Section 3 thereof) are true and correct as though made on the date of execution of this Lease Schedule.

CITY OF FRESNO, CA as Lessee	BAPCC, LLC as Lessor
By:	By:
Name: **SANTINO DANISI**	Name:
Title: **CONTROLLER**	Title:

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

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EXHIBIT A

Description of Products and Services and Schedule of Payments

attached to and made a part of that certain

LEASE SCHEDULE NO. A324840900 dated 8/15/2026 TO MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT NO. 3248409 DATED 8/15/2026 BY AND BETWEEN

BAPCC, LLC AND CITY OF FRESNO, CA

Description of Products and Services: CISCO ACI DNA STORAGE INFRASTRUCTURE PROJECT to be more fully described on the AMS.NET, LLC QUOTE NO. Q-00103627 AND CHANGE ORDER SR106263 dated 6/29/2026 attached hereto and a made a part hereof TO LEASE SCHEDULE NO. A324840900 DATED 8/15/2026.

Location of Products and Services: 2600 FRESNO ST, FRESNO, CALIFORNIA 93721

Purchase Price: $2,075,399.99

Commencement Date: 8/15/2026

Service Term: 5 years beginning with Commencement Date.

Lease Payments are payable **ANNUAL** in **ADVANCE** of the period to which they relate. Lease Payment due dates are established in the Payment Date below.

Payment No.	Payment Due Date	Payment	Interest	Principal	Principal Balance	Prepayment Amount/Purchase Option Price[1, 2]
Commencement Date:	8/15/2026				2,075,399.99	2,075,399.99
1	9/1/2026	415,080.00	0.00	415,080.00	1,660,319.99	1,660,319.99
2	9/1/2027	415,080.00	0.00	415,080.00	1,245,239.99	1,245,239.99
3	9/1/2028	415,080.00	0.00	415,080.00	830,159.99	830,159.99
4	9/1/2029	415,080.00	0.00	415,080.00	415,079.99	415,079.99
5	9/1/2030	415,079.99	0.00	415,079.99	0.00	0.00
Grand Totals		2,075,399.99	0.00	2,075,399.99		

[1]Assumes all Lease Payments and Additional Payments due on and prior to that date have been paid.

[2] **LESSEE ACKNOWLEDGES THAT THE AMOUNT FINANCED BY LESSOR. IS $1,881,783.78 AND THAT SUCH AMOUNT IS THE ISSUE PRICE FOR THE SCHEDULE FOR FEDERAL INCOME TAX PURPOSES. THE DIFFERENCE BETWEEN THE PRINCIPAL AMOUNT OF THIS SCHEDULE AND THE ISSUE PRICE IS THE FINANCING INSCENTIVE OR ORIGINAL ISSUE DISCOUNT ("OID"), AS DEFINED IN SECTION 1288 OF THE CODE. THE YIELD FOR THIS SCHEDULE FOR FEDERAL INCOME TAX PURPOSES IS 4.911%. SUCH ISSUE PRICE WILL BE STATED IN THE APPLICABLE FORM 8038-G/8038-GC. YOU AGREE THAT THE REFERENCE TO "INTEREST" IN SECTION 14 OF THE AGREEMENT SHALL INCLUDE THE FINANCING INCENTIVE (OID).**

Based on an original purchase price of the Equipment of $2,075,399.99, the effective interest rate to Lessee is 0% after the financing incentive is taken into consideration. For IRS purposes the breakdown of principal and pre-paid interest is reflected below:

Payment No.	Payment Due Date	Payment	Interest	Principal
Commencement Date:	8/15/2026			
1	9/1/2026	415,080.00	4,363.95	410,716.05
2	9/1/2027	415,080.00	73,891.47	341,188.53
3	9/1/2028	415,080.00	56,753.63	358,326.37
4	9/1/2029	415,080.00	38,754.96	376,325.04
5	9/1/2030	415,079.99	19,852.21	395,227.79
Grand Totals		2,075,399.99	193,616.22	1,881,783.78

EXHIBIT A -- CONTINUED

IN WITNESS WHEREOF, the parties hereto have caused this Schedule of Payments to be duly executed as of the day and year set forth below:

CITY OF FRESNO, CA

By: ___________________________________

Name: **SANTINO DANISI**

Title: **CONTROLLER**

Date:____