

Exhibit D

EQUIPMENT LEASE-PURCHASE AGREEMENT

BETWEEN

METRO FUTURES, INC., as Lessor

AND

CITY OF PATTERSON, as Lessee

DATED AS OF

April 17, 2026

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Lease Documents:

Equipment Lease-Purchase Agreement;
Exhibit A – Description of Equipment;
Exhibit B - Equipment Schedule, including Schedule 1 (Rental Payment Schedule);
Exhibit C – Notice and Acknowledgment of Assignment;
Exhibit D – Insurance Certification;
Exhibit E – Essential Use Certificate;
Exhibit F – Incumbency and Closing Certificate;
Exhibit G – Opinion of Lessee’s Counsel;
Exhibit H – Tax Opinion of Lessee’s Counsel;
Exhibit I – Intentionally Omitted;
Exhibit J – Post Issuance Tax Compliance Procedures;
Exhibit K – Escrow Agreement, including Schedule A (Notice and Acknowledgment of Assignment of Escrow Agreement);
Exhibit L –Resolutions of Lessee, including notice of public hearing;
Exhibit M – Tax Certificate and IRS Form 8038-G; and
Exhibit N – Closing Memorandum/Payment Proceeds Direction.

Other Documents:

Installation Agreement and Measurement and Verification Agreement
UCC-1 Financing Statement
CDIAC Filings
Lessee’s Form W-9

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Insurance Certificates

Payment and Performance Bonds, with Dual Oblige Rider naming Lessor and its successors and assigns as additional insured

EQUIPMENT LEASE-PURCHASE AGREEMENT

THIS EQUIPMENT LEASE-PURCHASE AGREEMENT, (as amended or supplemented from time to time, this “**Lease Agreement**”) dated as of April 17, 2026, between METRO FUTURES, INC., a California corporation (together with its successors and/or assigns, the “**Lessor**”) whose mailing address is 12520 High Bluff Drive, Suite 345, San Diego, California 92130, and the CITY OF PATTERSON, a political subdivision organized and existing under the laws of the State of California (the “**Lessee**”), whose mailing address is 1 Plaza Cir, Patterson, California 95363;

WITNESSETH:

WHEREAS, the Lessor has agreed to purchase and lease the Equipment (as hereinafter defined) to the Lessee, and the Lessee has agreed to lease back and purchase the Equipment from the Lessor, pursuant to the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, and other good and valuable considerations, the mutual parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Lease Agreement and any related documents, the following definitions will apply:

1.1 Acceptance Certificate and Payment Request. A certificate in the form attached as Exhibit A to the Escrow Agreement attached hereto as Exhibit K by which the Lessee accepts delivery of all or a portion of the Equipment and requests payment from the Escrow Fund in payment thereof.

1.2 Acquisition Period. Shall mean thirty-six (36) months from the Commencement Date, which is the date that the Escrow Fund shall terminate, unless such date is extended in writing by the Lessor and the Lessee.

1.3 Authorized Representative. Shall mean, with respect to the Lessee, the Mayor or City Manager of the Governing Body or other person or officer approved by the Lessee in writing.

1.4 Code. Shall mean the Internal Revenue Code of 1986, as amended.

1.5 Commencement Date. Shall have the meaning set forth on Exhibit B.

1.6 Concluding Payment. Shall have the meaning set forth in Article 18.

1.7 Costs of the Equipment. The total cost of acquisition and installation of the Equipment, including costs of issuance (\$4,824,685.00).

1.8 Default Rate. Shall have the meaning set forth in Section 4.3.

1.9 Equipment. The personal property described in Exhibit A to this Lease Agreement that is now or may hereafter from time to time become attached hereto and incorporated herein by reference, together and with any and all additions, modifications, attachments, substitutions, repairs, accessories, replacements and parts thereof and all insurance proceeds therefrom.

1.10 Escrow Fund. The fund created under the Escrow Agreement, as provided in Article 5 hereof.

1.11 Event of Nonappropriation. Shall have the meaning set forth in Section **Error! Reference source not found.**

1.12 Fiscal Year. Shall mean July 1 through June 30 of each year.

1.13 Governing Body. Shall mean the City Council of the Lessee.

1.14 Lease Term. Shall mean the Original Term and all Renewal Terms, but ending on the occurrence of the earliest event specified in Article 3 of this Lease Agreement.

1.15 Maximum Lease Term. Shall mean the Original Term and all Renewal Terms through the Renewal Term, including the last rental payment date set forth in the Rental Payment Schedule attached hereto as Exhibit B.

1.16 Original Term. Shall mean the period from the Commencement Date until the end of the Fiscal Year of the Lessee in effect at the Commencement Date.

1.17 Renewal Term. Shall mean the optional renewal terms of this Lease Agreement, each having a duration of one year and a term co-extensive with the Lessee's Fiscal Year.

1.18 Rental Payments. Shall mean the basic rental payments payable by the Lessee pursuant to Article 4 of this Lease Agreement.

1.19 State. Shall mean the State of California.

ARTICLE 2

LEASE

The Lessor hereby demises, rents and leases to the Lessee, and the Lessee hereby rents, leases and hires from the Lessor, the Equipment listed on Exhibit A attached hereto and incorporated herein by reference. The Lessee shall be entitled to possession of each piece of the Equipment constituting and may retain possession of the Equipment so long as the Lessee is not in default under this Lease Agreement and the Lessee has not failed to appropriate any amounts

required to be paid by it hereunder. THIS LEASE IS NOT A PLEDGE OF THE FULL FAITH AND CREDIT OF THE LESSEE, AND DOES NOT CREATE ANY OBLIGATION ON THE PART OF THE LESSEE EXCEPT AS SPECIFICALLY STATED HEREIN. Except as provided in Section 15.1 hereof, the Lessee's obligation to pay all Rental Payments payable hereunder and the Lessee's obligations otherwise to perform its obligations under or with respect to this Lease Agreement and the other Lease Documents, (1) constitute a current obligation payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement, and (2) are and shall be absolute and unconditional and shall not be affected by any circumstances whatsoever, including (i) any right of setoff, counterclaim, recoupment, deduction, abatement, defense or other right which the Lessee may have against the Lessor, the manufacturer or vendor of the Equipment, or any other Person, for any reason whatsoever, including, those arising or allegedly arising out of claims (present or future, alleged or actual, and including claims arising out of strict liability in tort or negligence of the Lessor) of the Lessee against the Lessor under this Lease Agreement or otherwise, (ii) any defect in the title, condition, design, operation, or fitness for use of, or any damage to or loss or destruction of all or any portion of, the Equipment, or any interruption or cessation in the use or possession thereof by the Lessee or any other Person for any reason whatsoever, (iii) the existence of any collateral, guaranty or security interest, (iv) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, (v) any force majeure, or (vii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. It is the intention of the parties that all Rental Payments and other amounts due hereunder shall continue to be payable in all events in the manner and at the times set forth herein unless the obligation to do so shall have been terminated pursuant to the express terms hereof.

ARTICLE 3

LEASE TERM; TERMINATION OF LEASE TERM

The Original Term of this Lease Agreement shall commence on the Commencement Date and shall terminate on the last day of the Lessee's current Fiscal Year. The Lease Term may be continued, solely at the option of the Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term. At the end of the Original Term and at the end of each Renewal Term until the Maximum Lease Term has been completed, the Lessee will be deemed to have exercised its option to continue this Lease Agreement for the next Renewal Term unless the Lessee has terminated this Lease Agreement pursuant to the provisions set forth in the following paragraph or Article 18. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except that the Rental Payments will be as provided in the Rental Payment Schedule attached hereto as Exhibit B.

The Lease Term will terminate upon the first to occur of: (a) the expiration of the Original Term or any Renewal Term of this Lease Agreement and the nonrenewal of this Lease Agreement in an Event of Nonappropriation pursuant to Article 15; (b) the exercise by Lessee of the option to purchase the Equipment pursuant to Article 18 hereof and payment of the Concluding Payment and all amounts payable in connection therewith; (c) an Event of Default hereunder by the Lessee and Lessor's election to terminate this Lease Agreement pursuant to

Article 14; or (d) the payment by the Lessee of all Rental Payments authorized or required to be paid by the Lessee under this Lease Agreement during the Maximum Lease Term.

ARTICLE 4

RENTAL PAYMENTS

4.1 Amount and Times of Payment. As rental for the Equipment, the Lessee hereby agrees to pay rental payments hereunder in the amounts and on the dates identified in Exhibit B. As set forth on Exhibit B and as provided below, 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.

4.2 Rental Payments. All Rental Payments required to be made to the Lessor hereunder shall be made by wire transfer or other form of electronic payment in accordance with written instructions provided by the Lessor or, with the Lessor's consent, by such other commercially reasonable method of payment. The Lessee shall pay the Rental Payments in lawful money of the United States of America from moneys legally available therefor.

4.3 Late Charges. Whenever any Rental Payment or other amount payable to Lessor by Lessee hereunder is not paid within ten (10) business days after such due date, Lessee agrees to pay Lessor a late charge on the delinquent amount at the "**Default Rate,**" which is one percent (1%) per month, or the maximum amount permitted under applicable law, whichever is less.

4.4 [Reserved].

4.5 Allocation of Interest. A portion of each rental payment shall be allocated to interest, with the imputed interest based on a 360-day year consisting of twelve 30-day months.

4.6 Rental Adjustment. The Lessee hereby represents and covenants that it will take no action which will directly or indirectly affect the exclusion of the interest component of the rental payments hereunder from gross income of the Lessor for Federal income tax purposes or the deductibility of any interest payments made by the Lessor. In the event the Lessee or the Lessor shall receive notice from the Internal Revenue Service that any of the interest components of rental payments hereunder may not be excluded from the Lessor's gross income for purposes of federal income taxation, the rental payments hereunder shall be adjusted to preserve the Lessor's after-tax economic yield with respect to the rental payments hereunder, taking into account any interest expense deductions lost by the Lessor as a direct or indirect result of the Lessee's actions. The Lessee hereby agrees to make adjusted rental payments hereunder in the event of a breach of the representations set forth hereinabove.

4.7 Continuation of Lease Term. The Lessee currently intends, subject to the provisions of Article 15, to continue the Lease Term through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. The Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. The responsible financial officer of the Lessee will do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments

to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of the Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Lease Agreement for any Renewal Term is solely within the discretion of the then current governing body of the Lessee.

ARTICLE 5

ESCROW FUND

5.1 Escrow Fund. On the Commencement Date, Lessor and Lessee shall enter into an escrow agreement in form and substance attached hereto as Exhibit K (the “**Escrow Agreement**”) dated the Commencement Date, by and among Lessor, Lessee, and the escrow agent named therein, relating to the non-interest bearing escrow fund (an “**Escrow Fund**”) created thereunder. On the Commencement Date, Lessor shall deposit: \$4,824,685.00 into the Escrow Fund to be held in escrow and applied upon the express terms and conditions of the Escrow Agreement for the acquisition of the Equipment and payment of costs of issuance relating to this Lease Agreement, which shall be disbursed as provided for in the Closing Memorandum attached hereto and the Escrow Agreement. The Escrow Fund shall be terminated in accordance with the terms and conditions set forth in the Escrow Agreement.

ARTICLE 6

RESPONSIBILITIES OF LESSEE

6.1 Care and Use. The Lessee shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and regulations, and at its sole cost and expense, service, repair and maintain the Equipment so as to keep the Equipment in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged or is unfit for use. Any and all additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Lease Agreement and included in the term “**Equipment**” as used in this Lease Agreement. If requested by the Lessor, the Lessee shall enter into or cause to be entered into, and maintained in full force and effect during the term of this Lease Agreement, standard maintenance contracts satisfactory to the Lessor covering the Equipment and shall comply with all its obligations thereunder. The Lessee shall furnish evidence to the Lessor of such signed maintenance agreement at or prior to the date of this Lease Agreement and the payment of all charges and premiums therefor. With Lessor’s prior written consent, Lessee may undertake maintenance of the Equipment by its employees in lieu of such a maintenance agreement. Substitute maintenance may be used if first approved by the Lessor in writing. Upon the early termination of this Lease Agreement pursuant to Article 14 and 15, the Lessee shall permit the Lessor to remove the Equipment from the premises in the same condition as originally received, ordinary wear and tear excepted, and in such a condition which will permit the Lessor to be eligible for such standard maintenance contract without incurring any expense to repair or rehabilitate the Equipment.

6.2 Inspection. The Lessor shall have the right upon reasonable prior notice to the Lessee to enter into and upon the premises where the Equipment is located to inspect the Equipment and observe its use during normal business hours.

6.3 Utilities. The Lessee shall pay all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility service, if any, furnished to or used in connection with the Equipment during the term of this Lease Agreement. There shall be no abatement of rental payments on account of interruption of any such services.

6.4 Taxes. The Lessee agrees to pay when due any and all taxes relating to the Equipment and the Lessee's obligations hereunder, including but not limited to, all license or registration fees, gross receipts tax, sales and use tax, if applicable, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession or use of the Equipment by any governmental body or agency, together with any interest and penalties, other than taxes on or measured by the net income of the Lessor.

6.5 Alterations. Without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, the Lessee shall not make any alterations, modifications or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. Upon return of the Equipment and at the Lessor's request, the Lessee at its sole cost and expense, will remove all alterations, additions and attachments and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear excepted.

6.6 Transportation and Installation Charges. As between the Lessor and the Lessee, the Lessee shall be responsible for all charges relating to the transportation of the Equipment to the Lessee's location and the installation at such location.

6.7 Insurance. The Lessee shall continuously maintain at its sole cost and expense or cause to be maintained (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way related to the Equipment sufficient to protect the Lessor and its assigns from liability in all events; (b) casualty insurance on the Equipment covering such risks as are customarily insured against by reasonable and prudent government bodies of like size for such equipment, and in such amounts at a minimum equal to the greater of the outstanding principal amount under this Lease Agreement or the replacement value of the Equipment with such deductibles as required, and with such insurance companies as shall be reasonably satisfactory to the Lessor; and (c) workers' compensation coverage as required by the laws of the State. Lessor shall be named as an additional insured on any such policy and all insurance for loss or damage shall provide that losses if any, shall be payable to the Lessor. Reasonable evidence of all required liability insurance shall be provided to the Lessor. The Lessee shall pay the premiums therefor and deliver to the Lessor the policies of insurance or duplicates thereof and a certification in the form of Exhibit D or other evidence reasonably satisfactory to the Lessor of such insurance coverage. Each insurer shall also agree by endorsement upon the policy or policies issued by it that it will give thirty (30) days prior written notice to the Lessor of cancellation, non-renewal, or material modification of such policy and ten (10) days prior written notice for non-payment of premium. The proceeds of such insurance, at the option of the Lessor,

shall be applied: (a) toward the replacement, restoration or repair of the Equipment, or (b) toward payment of the obligations of the Lessee hereunder. The Lessee hereby appoints the Lessor as the Lessee's attorney-in-fact to make claim for, receive payment of, and execute all documents, checks or drafts received in payment of loss or damage under any such insurance policy. In lieu of the insurance policies described above, and with the consent of the Lessor, which consent shall not be unreasonably withheld, the Lessee may self-insure the Equipment by means of a self-insurance program whereby funds are set aside and maintained for the purpose of self-insuring the property of the Lessee. If Lessee chooses to self-insure the Equipment, Lessee will, at all times, provide Lessor with evidence of the self-insurance program in form and substance satisfactory to Lessor. If at any time during the Lease Term, the Lessor in its reasonable discretion, deems it necessary so to do, the Lessee shall provide at its expense an insurance policy covering losses to the Equipment as set forth in this Section 6.7.

6.8 Risk of Loss. Lessee shall bear the entire risk of loss, theft, destruction of or damage to the Equipment or any part thereof from any cause whatsoever during the Lease Term and thereafter until redelivery to a location designated by Lessor, and shall not be relieved of the obligation to pay rental payments or any other obligation hereunder because of any such occurrence. If (a) the Equipment or any portion thereof hereunder is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof hereunder is taken under the exercise of the power of eminent domain, Lessee shall immediately notify Lessor. Lessee and Lessor shall cause the net proceeds of any insurance claim (including self-insurance) or condemnation award to be applied, at Lessor's option, to (i) the prompt repair, restoration, modification or replacement of the Equipment so affected or (ii) the payment in full of the then applicable Concluding Payment. Any balance of net proceeds remaining after completion of such work or payment of such Concluding Payment shall be paid promptly to Lessee. If the net proceeds are insufficient to pay the costs of such repair, restoration, modification or replacement or to pay such Concluding Payment in full, Lessee shall, at Lessor's direction and sole discretion, either complete the work or pay the then applicable Concluding Payment in full, and in either case pay any cost in excess of the amount of net proceeds, but only from legally available funds. In the event there is no applicable Concluding Payment set forth in the Payment Schedule, the Concluding Payment for any such prepayment set forth in this Section 6.8 shall be in an amount equal to ____% of the outstanding principal balance of this Lease Agreement.

6.9 Performance by the Lessor of the Lessee's Responsibilities. Any performance required of the Lessee or any payments required to be made by the Lessee, if not timely performed or paid, may be performed or paid by the Lessor, and in that event, the Lessor shall be immediately reimbursed by the Lessee for these payments and for any costs and expense, legal or otherwise, associated with the payments or other performance by the Lessor, with interest thereon at the Default Rate.

6.10 Financial Statements. The Lessee agrees that it will furnish the Lessor at such reasonable times as the Lessor shall request, but in no event later than ten (10) days prior to the end of each Fiscal Year, current financial statements, including without limitation the Lessee's annual budget or other proof of appropriation for the ensuing Fiscal Year and such other information relating to Lessee's ability to continue the Lease Term for the next succeeding Fiscal Year, and permit the Lessor or its agents and representatives to inspect the Lessee's books and

records and make extracts therefrom. Additionally, Lessee shall furnish to Lessor as soon as available, but in no event later than 180 days after the end of each Fiscal Year, the audited financial statements of Lessee, in customary and reasonable detail including the report provided by Lessee's auditor. The Lessee represents and warrants to the Lessor that all financial statements which have been delivered to the Lessor, if any, and accurately reflect the Lessee's financial condition and there has been no material adverse change in Lessee's financial condition as reflected in the statements since the date thereof.

ARTICLE 7

EQUIPMENT

7.1 Title. Title to the Equipment and any and all additions, repairs, replacements or modifications thereto, shall be deemed to be vested in the Lessee subject to the rights of the Lessor hereunder from and after the date of the acceptance of the Equipment so long as the Lessee shall not be in default hereunder, and shall vest permanently in the Lessee upon the completion of all rental payments, free and clear of any lien or security interest of the Lessor therein. Immediately upon the occurrence of an event of default by the Lessee hereunder, title to the Equipment (and all additions, repairs, replacements or modifications thereto) shall revert to the Lessor, free and clear of any right, title or interest of the Lessee unless the Lessor elects otherwise, without the necessity of any further action or the execution of any documents by the parties. Lessee will, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Lessee irrevocably designates, makes, constitutes and appoints Lessor and its assignee as Lessee's true and lawful attorney (and agent in-fact) with power, at such time of termination or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's or such assignee's name, to endorse the name of Lessee upon any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.

7.2 Security Agreement.

(a) The provisions of this Section 7.2(a) apply generally to all Equipment, regardless of the type, and the Escrow Fund. To secure the performance of all of Lessee's obligations hereunder, Lessee hereby grants to Lessor, and Lessor shall have and retain, a security interest constituting a first priority and perfected lien and security interest on the Equipment delivered hereunder and on any attachments, proceeds therefrom. Lessee agrees to execute and deliver such additional documents, including, without limitation, opinions of counsel, financing statements, landlord-tenant or mortgagee waivers, notices and similar instruments, in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of Lessor's rights hereunder. As further security therefor, Lessee hereby grants to Lessor a first priority security interest in the cash and negotiable instruments from time to time in the Escrow Fund and all proceeds (cash and non-cash) thereof, and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party under the applicable provisions of the Uniform Commercial Code as enacted in the applicable state. Lessee, at its expense, will protect and defend Lessee's rights in the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal

processes of Lessee's creditors and other persons. Lessor shall have the right during normal hours, upon reasonable prior notice to Lessee, to enter upon the premises where the Equipment is located in order to inspect the Equipment. Lessee agrees that financial statements may be filed with respect to the security interest in the Equipment.

(b) During the Lease Term, ownership and legal title of all of the Equipment and all substitutions, repairs, modifications, and replacements shall be in Lessee, and Lessee shall take all necessary action to vest such ownership and title in Lessee. Lessor does not own the Equipment, and, by this Lease Agreement, Lessor is merely financing the acquisition of the Equipment for the Lessee. Lessor has not been in the chain of title, does not operate, control or have possession or control over the Equipment, or Lessee's use, maintenance, operation, storage, or maintenance of the Equipment. Lessee is entitled to use and possession of the Equipment, subject to the rights of Lessor hereunder (including its interest in the Equipment as the lessor hereunder). If Lessor terminates this Lease Agreement pursuant to the terms hereof, all rights, title, and interests in the Equipment shall immediately vest in Lessor free and clear of any right, title or interest of Lessee. Lessee, at its expense, will protect and defend Lessee's rights in the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons.

7.3 Personal Property; No Encumbrances. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon or any fixtures, or attached in any manner to what is permanent by any means of cement, plaster, nails, bolts, screws or otherwise. Upon request of the Lessor, Lessee shall obtain, as to any place where the Equipment is located, a waiver from the landlord and mortgagee thereof with respect to any rights they may have in and to the Equipment or the rights of levy or seizure thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; provided, that if Lessor or its assigns is furnished with a waiver of interest in the Equipment acceptable to Lessor or its assigns in its discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not unreasonably withheld.

7.4 Liens. The Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Equipment or any interest therein, except for the lien and security interest of the Lessor therein created under this Lease Agreement. The Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time.

7.5 Acceptance and Written Notice of Defects; Inspection. . Lessee will order the Equipment, cause the Equipment to be delivered and installed at the location(s) specified on Exhibit B and pay any and all delivery and installation costs in connection therewith. Immediately upon receipt and installation of the Equipment, the Lessee shall inspect the

Equipment. Unless the Lessee gives the Lessor written notice of each defect or other proper objection to the Equipment before the execution of the Acceptance Certificate and Payment Request, it shall be conclusively presumed upon execution of an Acceptance Certificate and Payment Request, as between the Lessor and the Lessee, that Lessee has fully inspected and acknowledged that the Equipment described in the Acceptance Certificate and Payment Request is in good condition and repair, has been properly installed and is performing satisfactorily, and that the Lessee is satisfied with and has accepted such Equipment in such good condition and repair. After it has been delivered and installed, the Equipment will not be moved from the location(s) specified on Exhibit B without Lessor's consent, which consent will not be unreasonably withheld.

7.6 Use of Equipment; Maintenance and Repairs. Lessee shall keep the Equipment within the State specified on Exhibit B in the "**Equipment Location**" section and Lessee shall not remove any of the Equipment therefrom without Lessor's prior written consent. Lessee shall use the Equipment for the purpose for which such Equipment was designed. Lessee shall at all times and at the Lessee's sole cost and expense operate, maintain, service and repair the Equipment in good operating order, repair and condition (A) in accordance and consistent with (1) the manufacturer's warranties, recommendations and all maintenance and operating manuals or service agreements, whenever furnished or entered into, including any subsequent amendments or replacements thereof, issued by the manufacturer, (2) the requirements of all applicable insurance policies, (3) preserving all rights to any warranties, indemnities or other rights or remedies (such service to include monitoring the degradation of the Equipment and enforcing or assisting with the enforcement of the applicable warranties with respect to such degradation), (4) all applicable laws, ordinances, regulations or requirements of any governmental authority, official, board or department relating to its installation, possession, use or maintenance, and (5) prudent industry standards; and (B) without limiting the foregoing, so as to cause the Equipment to be in at least the same condition as when delivered to the Lessee hereunder, except for ordinary wear and tear. Lessee shall not make any alterations, additions, or improvements to the Equipment that are not readily removable without causing damage to or reducing the value of the Equipment. All alterations, additions, or improvements not readily removable shall become property of Lessor.

7.7 Essentiality. Lessee represents that, with respect hereto, (a) the use and operation of the Equipment is essential to its proper, efficient, and economic governmental operation and (b) the functions performed by the Equipment could not be transferred to other equipment available for its use. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last rental payment scheduled to be paid hereunder. On the Commencement Date, Lessee shall complete and provide Lessor a certificate in the form of Exhibit E.

7.8 Sublease. Lessee will not sublease or otherwise in any manner transfer, deliver or, except as expressly consented to by Lessor, relinquish possession (except on a temporary basis for repair or maintenance) or use of the Equipment without the prior written consent of Lessor.

7.9 No Warranties. Lessee acquires and leases the Equipment "AS IS." Lessee acknowledges that Lessor did not manufacture the Equipment. Lessor does not represent the

manufacturer, supplier, owner or dealer, and Lessee selected the Equipment based upon Lessee's own judgment. Lessor makes no warranties, express or implied, including warranties of merchantability or fitness for a particular purpose or otherwise or as to the Equipment's value, design, condition, use, capacity or durability. Lessee agrees that regardless of cause, Lessor is not responsible for, and Lessee will not make any claim against Lessor for, any damages, whether consequential, direct, special or indirect incurred by Lessee in connection with the Equipment. Neither the manufacturer, supplier or dealer nor any salesperson, employee or agent of the manufacturer, supplier or dealer is Lessor's agent or has any authority to speak for Lessor or to bind Lessor in any way. For and during the Lease Term, Lessor assigns to Lessee any manufacturer's or supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased in accordance with Lessee's specifications from suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or supplier's product warranties or guaranties, (d) no manufacturer or supplier or any representative of said parties is an agent of Lessor, and (e) any warranty, representation, guaranty or agreement made by any manufacturer or supplier or any representative of said parties shall not be binding upon Lessor.

ARTICLE 8

WARRANTIES AND REPRESENTATIONS OF THE LESSEE

The Lessee warrants and represents to the Lessor as follows, which representations and warranties shall be continuing.

(a) The Lessee is a political subdivision within the meaning of Section 103(c) of 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. Lessee has a substantial amount of one or more of the following sovereign powers: (i) the power to tax; (ii) the power of eminent domain; and (iii) police powers.

(b) The Lessee is authorized under the Constitution and laws of the State to enter into this Lease Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(c) The execution and delivery of this Lease Agreement by or on behalf of the Lessee has been duly authorized by all necessary action of the Governing Body, and the Lessee has obtained such other approvals and consents as are necessary to consummate this Lease Agreement. The Lessee further represents and warrants that all requirements have been met and procedures have been followed in order to ensure the enforceability of this Lease Agreement in accordance with its terms.

(d) The Lessee has complied with such public bidding requirements as may be applicable to this Lease Agreement and has complied or will comply with such requirements for the acquisition of the Equipment hereunder.

(e) The Lessee shall cause to be executed and delivered to the Lessor (1) an incumbency and closing certificate in substantially the form attached as Exhibit F hereto, (2) an Opinion of Lessee's Counsel in substantially the form attached as Exhibit G hereto and (3) a Tax Opinion of Lessee's Counsel in substantially the form attached as Exhibit H hereto.

(f) The Lessee has an immediate need for, and expects to make immediate use of all of the Equipment which need is not temporary or expected to diminish during the term of this Lease Agreement.

(g) The execution, delivery and performance of this Lease Agreement and transactions contemplated herein will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which the Lessee is a party or by which it is bound.

(h) There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which, if adversely determined, would have a material adverse effect on the ability of the Lessee to perform its obligations hereunder.

(i) The Equipment is essential to and will be used only for the purpose of performing one or more governmental functions of the Lessee consistent with the scope of the Lessee's authority and will not be used in a trade or business of any person or entity. The Lessee shall execute and deliver to Lessor an Essential Use Certificate in form and substance reasonably satisfactory to the Lessor.

(j) The Equipment is, and shall remain during the term of this Lease Agreement, personal property.

(k) The Lessee will promptly and duly execute and deliver to the Lessor such further documents, instruments and assurances and take such further action as the Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Lease Agreement and to establish and protect the rights and remedies created or intended to be created in favor of the Lessor hereunder.

(l) The Lessee has sufficient funds in its budget for the current Fiscal Year to pay the aggregate amount of the rental payments due under this Lease Agreement during the current Fiscal Year, if any. The Lessee has never failed to pay payments coming due under any bond issue, lease purchase agreement or other indebtedness obligation of the Lessee.

(m) The useful life of the Equipment will not be less than the Lease Term.

(o) Lessee will pay all costs of acquiring the Equipment in excess of the amount deposited by Lessor in the Escrow Fund allocated to payment of costs of the Equipment.

(p) Lessee is the fee owner of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to

such real estate. The Equipment is not a replacement, repair, substitution or proceeds of any equipment or personal property subject to a prior lien or security interest of a third party.

ARTICLE 9

WARRANTIES AND REPRESENTATIONS OF THE LESSOR

The Lessor warrants and represents to the Lessee as follows, which representations and warranties shall be continuing.

(a) The Lessor is a corporation duly incorporated under the laws of the State and is in good standing with the State and is duly authorized to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder;

(b) The Lessor has full power and authority to enter into this Lease Agreement and all other documents relating thereto and the performance of the Lessor's obligations hereunder have been duly and validly authorized, executed and delivered by the Lessor and approved under all laws, regulations and procedures applicable to Lessor and this Lease Agreement constitutes a valid, legal and binding obligation of the Lessor, enforceable in accordance with its terms;

(c) Lessor hereby assigns to Lessee, to the extent that it may lawfully do so, so long as no Event of Default and no Event of Nonappropriation shall have occurred and be continuing hereunder, all rights and benefits that Lessor may have under any warranty, guaranty or the like that may be made with respect to the Equipment by the manufacturer, seller and/or supplier (collectively, the "**Vendor**") thereof. To the fullest extent permitted by applicable law, Lessor shall not be liable to Lessee or any third party for any loss, damage, injury or expense of any kind or nature caused directly or indirectly by any of the Equipment or the use or maintenance thereof or any defect therein, the failure of operation thereof or by any interruption of service or loss of use thereof or for any loss of business or damage whatsoever and howsoever caused. Lessor makes no warranty as to the treatment of this Lease for tax or accounting purposes or as to the compliance of the Equipment with applicable government regulations or requirements. Lessee agrees to look solely to the Vendor for any claim arising from any defect, breach of warranty, failure or delay in delivery, mis-delivery or inability to use the Equipment for any reason whatsoever and Lessee's obligations to Lessor hereunder shall not in any manner be affected thereby, including (without limitation) Lessee's obligations to pay Lessor all rental payments and other amounts payable hereunder, subject to Article 15 hereof. Lessee has selected both the Equipment and the Vendor and acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or the Vendor. Lessor has no obligation to install, erect, test, adjust, service or maintain the Equipment.

(d) NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY LESSEE HAS SELECTED EACH ITEM, TYPE, QUALITY, QUANTITY AND SUPPLIER OF THE EQUIPMENT BASED UPON RECOMMENDATIONS OF ITS INDEPENDENT CONSULTANTS PRIOR TO HAVING REQUESTED LESSOR TO FINANCE THE SAME AND THAT LESSOR HAS NOT MADE ANY, AND MAKES NO,

WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO ANY MATTER RELATING TO THE SUITABILITY OF THE EQUIPMENT, ITS VALUE, DESIGN, CONDITION, DURABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, OPERATION, MATERIALS, WORKMANSHIP AND/OR ITS QUALITY. AS BETWEEN LESSEE AND LESSOR, LESSEE LEASES, PURCHASES AND ACQUIRES THE EQUIPMENT “AS IS” “WHERE IS” AND “WITH ALL FAULTS.”

(e) Lessee agrees that Lessor shall have no liability or be obligated in any manner for any obligation, loss, expense, claim, damage, action, suit or proceeding arising out of, connected with, or resulting directly or indirectly from the Equipment, including without limitation, the manufacture, selection, delivery, installation, possession, condition, lease, use, operation or return of the Equipment, notwithstanding the full payment of all obligations under this Lease Agreement.

ARTICLE 10

INTENTIONALLY OMITTED

ARTICLE 11

TAX COVENANTS AND INDEMNIFICATION

11.1 Covenants. The parties assume that the Lessor can exclude the interest component of the rental payments from Federal gross income. The Lessee covenants and agrees that it will (i) rebate an amount equal to any excess earnings on the Escrow Fund to the Federal Government if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations, and maintain the records required by and otherwise comply with all regulations applicable thereto; (ii) register in writing the owner of this Lease Agreement so as to meet the applicable requirements of Section 149(a)(3) of the Code; (iii) timely file a Form 8038-G with the Internal Revenue Service in accordance with Section 149(e) of the Code; (iv) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code; and (v) comply with all provisions and regulations applicable to excluding interest from Federal gross income pursuant to Section 103 of the Code.

11.2 Further Covenants. The Lessee further covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest portion of the rental payments made hereunder under Section 103 of the Code. The Lessee will not directly or indirectly use or permit the use of any proceeds available from the Lessor or any other funds of the Lessee, or take or omit to take any action that would cause the lease purchase obligation evidenced by this Lease Agreement to be an “arbitrage bond” within the meaning of Section 148(a) of the Code. To that end, the Lessee will comply with all requirements of Section 148 of the Code to the extent applicable to the lease purchase obligation evidenced by this Lease Agreement.

11.3 Indemnification. If the Lessor receives notice, in any form, from the Internal Revenue Service that it has determined that the Lessor may not exclude any interest paid hereunder from Federal gross income because the Lessee breached a covenant contained herein,

then the Lessee shall pay to the Lessor, within ninety (90) days after the Lessor notifies the Lessee of such determination, an amount which, with respect to the rental payments previously paid 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 through the date of such event), will restore to the Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of payments and reinvestment at the after-tax yield rate) on the transaction evidenced by this Lease Agreement through the date of such payment. Additionally, the Lessee agrees that upon the occurrence of such an event, it shall pay as additional rent to the Lessor on such succeeding rental payment due date such amount as will maintain such after-tax yield to the Lessor. Notwithstanding the foregoing, the Lessee's obligations under this paragraph shall be subject to the appropriation of funds for such purpose by the Governing Body.

ARTICLE 12

GENERAL INDEMNIFICATION

The Lessee hereby agrees to indemnify, protect and save the Lessor harmless, to the extent permitted by law, from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Equipment, including without limitation, the manufacture, selection, delivery, possession, condition, lease, use, operation or return of the Equipment. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations due under this Lease Agreement. Notwithstanding the foregoing, the Lessee does not waive any sovereign immunity or other defense which may be available to it under applicable law.

ARTICLE 13

INTENTIONALLY OMITTED

ARTICLE 14

DEFAULT AND REMEDIES

14.1 Definition of Default. The Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default, which default (other than a monetary default under Section 14.1(a)) is not cured within thirty (30) days after receipt of written notice thereof (an "**Event of Default**").

(a) The Lessee shall fail to make any rental payment or pay any other sum under this Lease Agreement when due or shall fail to perform or observe any term or condition or covenant of this Lease Agreement, subject to the last paragraph of this Section 14.1.

(b) Proceedings under any bankruptcy, insolvency, reorganization or similar litigation shall be instituted by or against the Lessee, or a receiver, custodian or similar officer shall be appointed for the Lessee or any of its property, and such proceedings or appointments

shall not be vacated, or fully stayed, within sixty (60) days after the institution or occurrence thereof.

(c) Any warranty, representation or statement made by the Lessee is found to be incorrect or misleading in any material respect on the date made.

(d) An attachment, levy or execution is levied upon or against the Equipment.

(e) Any insurance carrier cancels any insurance on the Equipment which is required hereunder without the Lessee first providing replacement coverage.

(f) The Equipment or any part thereof is abused, illegally used, misused, lost, destroyed or damaged beyond repair.

(g) The failure of the officer charged with the preparation of the Lessee's budget to include in the budget for each Fiscal Year of the Lessee during the Lease Term a request that the Governing Body appropriate in such Fiscal Year the amount of the rental payments and other payments due under this Lease Agreement during such Fiscal Year.

Notwithstanding anything contained in this Section to the contrary, a failure by the Lessee to pay when due any payment required to be made under this Lease Agreement or a failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement, resulting from a failure by the Governing Body to appropriate money for such purposes after a request to appropriate in accordance with the requirements of Article 15, shall not constitute an Event of Default. Upon any such failure, the provisions of Article 15 shall be applicable.

14.2 Remedies on Default. Upon the occurrence of any Event of Default, the Lessor may exercise any one or more of the following remedies as the Lessor in its sole discretion shall elect.

(a) Declare the entire amount of rental payments hereunder immediately due and payable as to any or all items of Equipment without notice or demand to the Lessee.

(b) Proceed by appropriate court action to enforce performance by the Lessee of the applicable covenants of this Lease Agreement or to recover for the breach thereof including the payment of rental payments due or to become due hereunder or any deficiency therefor following disposition of the Equipment.

(c) With or without terminating this Lease Agreement, enter the premises where the Equipment is located and take possession of the Equipment wherever situated or require Lessee, at Lessee's expense, to promptly return any or all of the Equipment to the possession of Lessor at a place specified by Lessor, without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the Lessee, and apply the proceeds of any such sale, lease, sublease, or other disposition, after deducting all costs and expenses, including court costs and reasonable attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due

under this Lease Agreement, holding Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee hereunder plus the applicable Concluding Payment, and (ii) the net proceeds of any such sale, lease or sublease; provided that the amount of Lessee's liability under this subparagraph (c) shall not exceed the Rental Payments and other amounts otherwise due hereunder plus the remaining Rental Payments and other amounts payable by Lessee to the end of the Lease Term; and provided further that any liabilities for such remaining Rental Payments and other amounts shall be required to be paid by Lessee only at the times provided for the payment of such amounts under the provisions of this Lease Agreement..

(d) Terminate this Lease Agreement as to all or any part of the Equipment and use, operate, lease or hold the Equipment as the Lessor in its sole discretion may decide.

(e) Terminate the Escrow Fund in accordance with Section **Error! Reference source not found.** hereof.

14.3 Further Remedies. A termination hereunder shall occur only upon notice by the Lessor to the Lessee and only with respect to such portion or portions of the Equipment as the Lessor specifically elects to terminate in such notice. Except as to those parts of the Equipment with respect to which there is a termination, this Lease Agreement shall remain in full force and effect and the Lessee shall be and remain liable for the full performance of all its obligations hereunder. All remedies of the Lessor are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

14.4 Reinstatement. Notwithstanding the exercise of any remedy granted by either Article 14 or Article 15 of this Lease Agreement, if all amounts that have become due and payable to the Lessor have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses of the Lessor, including administrative expenses and attorneys' fees paid or incurred, then the Event of Default or termination for non-appropriation of funds under this Lease Agreement shall be waived without further action on the part of any party hereto. Upon such payment and waiver, this Lease Agreement shall be fully reinstated, as if it had never been terminated, and the Lessee shall be restored to the use and possession of the Equipment.

ARTICLE 15

NON-APPROPRIATION

15.1 Nonappropriation. Lessee is obligated only to pay such Rental Payments under this Lease Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. In the event sufficient funds will not be appropriated or are not otherwise legally available to pay the Rental Payments required to be paid in the next occurring Renewal Term, as set forth in the Payment Schedule attached as Schedule 1 to Exhibit B hereto, this Lease Agreement will be deemed to be terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice will not extend the Lease Term beyond such Original Term

or Renewal Term. If this Lease Agreement is terminated in accordance with this Section, Lessee agrees, at Lessee's cost and expense, to peaceably deliver the Equipment to Lessor at the location or locations specified by Lessor.

15.2 Rental Payments to Constitute a Current Expense of Lessee. The obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee, is from year to year and does not constitute a mandatory payment obligation of Lessee in any fiscal year beyond the then current fiscal year of Lessee. Lessee's obligation hereunder will not in any way be construed to be an indebtedness of Lessee in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor will anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of Lessee.

ARTICLE 16

ASSIGNMENT

16.1 Assignment By Lessee. The Lessee agrees not to sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Lease Agreement or the Equipment (except for the lien and security interest of the Lessor therein) or to remove the Equipment from its place of installation without the Lessor's prior written consent which shall not be unreasonably withheld and an opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. The Lessee's interest herein may not be assigned or transferred by operation of law.

16.2 Assignment By The Lessor.

Lessor's interest in, to and under this Lease Agreement and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor without the necessity of obtaining the consent of Lessee; and such assignment, transfer or conveyance shall be made only to (i) an affiliate of Lessor or (ii) banks, insurance companies, government entities, conduits, trusts, custodians or other financial institutions or their affiliates, but no such assignment, transfer or conveyance shall be effective as against Lessee unless and until Lessor has delivered to Lessee written notice thereof that discloses the name(s) and address(es) of the assignee(s) or the Lease Servicer (as hereafter provided). Nothing herein shall limit the right of Lessor or its assignees to sell, assign or grant participation interests in this Lease Agreement to one or more entities listed in (i) or (ii); provided that if such assignment is made pursuant to a participation, custodial or similar agreement under which multiple ownership interests in this Lease Agreement are created, it shall establish a single entity, owner, servicer or other fiduciary or agent to act on behalf of all of the holders of such participation interests (herein referred to as the "Lease Servicer") with respect to the rights and interests of such holders hereunder, including the exercise of rights and remedies thereunder upon the occurrence of an event of default, and further including the maintenance of a register by which a record of the names and addresses of

such holders as of any particular time is kept and agrees, upon request of Lessee, to furnish such information to Lessee. Lessee will retain all notices of assignment as a register of all assignees and will make all payments to the assignee, assignees or Lease Servicer designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Equipment and in this Lease Agreement and agrees to the filing of financing statements with respect to the Equipment and this Agreement. Lessee will not have the right to and will not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may have against Lessor.

ARTICLE 17

NATURE OF AGREEMENT

The Lessor and the Lessee agree that it is their intention that, for federal income tax purposes, the interest of the Lessor in the Equipment is as a secured party and the interest of the Lessee is as a debtor, and that the Lessor neither has nor will have any equity in the Equipment. It is the agreement of the Lessor and the Lessee that the aggregate rental payments provided for hereunder constitute the purchase price of the Equipment together with the interest on the unamortized amount thereof over the term of this Lease Agreement, that each installment of Rental Payments constitutes principal and interest, which fully amortizes the purchase price of the Equipment, together with interest, over the term of this Lease Agreement, and that upon the due and punctual payment and performance of the rental payments and other amounts and obligations under this Lease Agreement, title to the Equipment shall vest permanently in Lessee as provided in this Lease Agreement, free and clear of any lien or security of the Lessor therein.

ARTICLE 18

OPTION TO PURCHASE; PREPAYMENT

18.1 Option to Purchase. At the option of Lessee, and provided that no Event of Default has occurred and is continuing hereunder, Lessor's interest in all, but not less than all, of the Equipment will be transferred, conveyed and assigned to Lessee, thereby vesting title to the Equipment permanently in Lessee, and this Lease shall terminate: (a) upon payment in full of the rental payments and all other payments then due hereunder or (b) on any rental payment date hereunder, by paying to Lessor, in addition to the rental payment due on such date, an amount equal to the concluding payment (the "**Concluding Payment**") shown for such rental payment date in the rental payment schedule in Schedule 1 to Exhibit B attached hereto. Lessee shall not have the option to purchase the Equipment hereunder as provided in the foregoing clause (b) on any rental payment date hereunder for which a Concluding Payment is not stated in the rental payment schedule. Notwithstanding anything to the contrary contained herein, the purchase option in this Article 18 is non-assignable and non-transferrable.

This option to purchase may be exercised by the Lessee on any Payment Date on or after October 17, 2030, and is conditioned upon:

(a) the Lessee's having performed all of the terms and conditions of the Lease Agreement between the parties other than the payment of monies not yet due and payable under this Lease Agreement;

(b) the Lessee's giving written notice to the Lessor of its election to exercise the option not less than thirty (30) days prior to the date of exercise of the option by the Lessee; and

(c) the Lessee's payment of the Concluding Payment in cash at the time of the exercise of the option.

18.2. Prepayment from Excess Moneys in Escrow Fund. Any funds not applied to pay costs of the Equipment and remaining in the Escrow Fund on the earliest of (i) the end of the Acquisition Period or (ii) receipt by the escrow agent named in the Escrow Agreement of a duly Acceptance Certificate and Payment Request identified as the final such request, shall, first be applied to all reasonable fees and expenses incurred by such escrow agent, if applicable, in connection with the Escrow Fund as evidenced by its statement forwarded to Lessor and Lessee; and, second be paid to Lessor, to be applied by Lessor on any Rental Payment Date to all or a portion of the Rental Payment due and owing in the succeeding twelve (12) months and any remaining amounts shall be applied by Lessor as prepayment to the remaining principal balance owing hereunder in inverse order of Rental Payment Dates, unless Lessor directs that payment of such amount be made in such other manner that, in the opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is applied against the outstanding principal components of Rental Payments, the Payment Schedule attached hereto will be revised accordingly by Lessor and delivered to Lessee, which shall be binding absent manifest error.

ARTICLE 19

MISCELLANEOUS

19.1 Waiver. No covenant or condition of this Lease Agreement can be waived except by the written consent of the Lessor. Any failure of the Lessor to require strict performance by the Lessee or any waiver by the Lessor of any terms, covenants or agreements herein shall not be construed as a waiver of any other breach of the same or of any other term, covenant or agreement herein.

19.2 Severability. In the event any portion of this Lease Agreement shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Lease Agreement shall continue in full force and effect.

19.3 Governing Law. This Lease Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of California.

19.4 Notice. All notices made or required to be given pursuant to this Lease Agreement shall be in writing and shall be deemed duly served if and when mailed, certified or

registered mail, postage prepaid, return receipt requested, to the other party at its address set forth above or at such other address as such party shall hereafter designate in writing.

If to the Lessor, address to:

Metro Futures, Inc.
12520 High Bluff Drive, Suite 345
San Diego, California 92130
Attention: Brad Chapman
Email: Brad@absenergy.com

If to the Lessee, address to:

City of Patterson
[]
[]
[]
Attention: []
Email: []

19.5 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

19.6 Entire Agreement. This Lease Agreement, together with any schedules hereto, constitutes the entire agreement between the parties and shall not be modified, amended, altered or changed except by written agreement signed by the parties.

19.7 Binding Effect. Subject to the specific provisions of this Lease Agreement, this Lease Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

19.8 Further Assurances. The Lessee will promptly and duly execute and deliver to the Lessor such further documents, instruments and assurances and take such further action as the Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Lease Agreement and to establish and protect the rights and remedies created or intended to be created in favor of the Lessor hereunder.

19.9 Time. Time is of the essence of this Lease Agreement.

19.10 Counterparts. This Lease Agreement, and any exhibit hereto, may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

19.11 No Third-Party Beneficiaries. This Lease Agreement and any documents or certificates executed in connection with, or pursuant to it, are intended only for the benefit of the

Lessor, the Lessee and the Escrow Agent, and no rights are intended, or shall be deemed to be, granted to any other parties thereby.

19.12 Exhibits. This Agreement includes the Exhibits attached hereto, all of which Exhibits are made a part hereof for all purposes. Lessee and Lessor agree that if any Exhibit to this Agreement contains blanks, the same shall be completed correctly and in accordance with this Agreement prior to or at the time of the execution and delivery thereof.

19.13. Electronic Transactions. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

19.14 Lessee's Notice Filings Related to this Lease Agreement for SEC Rule 15c2-12. In connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessor acknowledges that Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice that Lessee has incurred obligations under this Lease Agreement and notice of certain subsequent events reflecting financial difficulties in connection with this Lease Agreement. Lessee agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about Lessor or its affiliates: address and account information of Lessor or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of Lessor or its affiliates, or any account information for the Escrow Agreement, unless otherwise required for compliance with the Rule or otherwise required by law. Lessee acknowledges that Lessor is not responsible for Lessee's compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

[Remainder of page intentionally left blank signature pages follow]

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

LESSOR:

METRO FUTURES, INC., a California corporation

By: _____

Name: _____

Title: _____

LESSEE:

CITY OF PATTERSON, a political subdivision of the State of California

By: _____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF EQUIPMENT

The Equipment shall mean energy conservation measures to be acquired and installed pursuant to the terms of the Installation Agreement dated _____, 20_, between Lessee and Alliance Building Solutions, LLC, as described therein, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto, and all insurance and/or proceeds therefrom. See also “Scope of Work” attached hereto for a further description of the Equipment.

This Description of Equipment shall be deemed to be supplemented by the descriptions of the Equipment included in the Certificate of Acceptance and Payment Requests submitted to Lessor for approval pursuant to the Escrow Agreement dated as of April 17, 2026, among Lessor, Lessee and Banc of California, as escrow agent, which descriptions shall be deemed to be incorporated herein.

EXHIBIT B

EQUIPMENT SCHEDULE

- 1. Lease Agreement: Equipment Lease-Purchase Agreement dated as of April 17, 2026, between the City of Patterson, as lessee, and Metro Futures, Inc, as lessor
- 2. Description of the Equipment: See Exhibit A
- 3. Equipment Location(s): Multiple facilities and locations throughout the City boundaries pursuant to Contract for Energy Efficiency and Renewable Energy Project, including Alliance Installation Agreement, each dated _____, 2026, by and between the City of Patterson and Alliance Building Solutions, LLC, as listed below:

Site	Lighting Upgrades	HVAC Upgrades	Controls Upgrades	Electrical Upgrades	Building Envelope Upgrades	Renewable Energy
Aquatic Center	X		X			
City Hall	X	X	X		X	X
Corporate Yard	X	X	X			
Fire Station #1	X	X	X		X	X
Fire Station #2	X	X	X			X
Old Corporate Yard	X					X
Senior Center	X		X			
WWTP South	X			X		X
Well 8						X
Well 9						X
Well 11						X

- 4. Principal Amount: \$4,824,685.00
- 5. Rental Payment Schedule: The Rental Payments for the Equipment shall be made as set forth in Schedule 1 to Exhibit B attached hereto.
- 6. Interest Rate: 4.88%
- 7. Commencement Date: April 17, 2026
- 8. Final Rental Payment Date: April 17, 2046
- 9. Lessee’s current Fiscal Year extends from July 1, 2025 to June 30, 2026
- 10. The terms and provisions of the Lease Agreement are hereby incorporated into this Equipment Schedule by reference and made a part hereof.

11. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Lease Agreement are true and correct as though made on the date of execution of this Equipment Schedule, (ii) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under the Lease Agreement during Lessee's current Fiscal Year, if any, and (iii) there has been no event which would adversely impact Lessee's obligation to make the Rental Payments.

CITY OF PATTERSON,
as Lessee

METRO FUTURES,
as Lessor

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1 TO EXHIBIT B

RENTAL PAYMENT SCHEDULE

Rental Payment Date	Total Rental Payment	Interest Portion	Principal Portion	Concluding Payment *
4/17/2026				
10/17/2026	\$117,722.31	\$117,722.31	\$0.00	Non-Callable
4/17/2027	\$117,722.31	\$117,722.31	\$0.00	Non-Callable
10/17/2027	\$117,722.31	\$117,722.31	\$0.00	Non-Callable
4/17/2028	\$117,722.31	\$117,722.31	\$0.00	Non-Callable
10/17/2028	\$132,454.00	\$117,722.31	\$14,731.69	Non-Callable
4/17/2029	\$132,454.00	\$117,362.86	\$15,091.14	Non-Callable
10/17/2029	\$158,075.00	\$116,994.64	\$41,080.36	Non-Callable
4/17/2030	\$158,075.00	\$115,992.28	\$42,082.72	Non-Callable
10/17/2030	\$164,341.00	\$114,965.46	\$49,375.54	\$4,802,193.26
4/17/2031	\$164,341.00	\$113,760.69	\$50,580.31	\$4,750,095.54
10/17/2031	\$170,834.00	\$112,526.54	\$58,307.46	\$4,690,038.85
4/17/2032	\$170,834.00	\$111,103.83	\$59,730.17	\$4,628,516.78
10/17/2032	\$177,565.00	\$109,646.42	\$67,918.58	\$4,514,302.77
4/17/2033	\$177,565.00	\$107,989.20	\$69,575.80	\$4,443,335.45
10/17/2033	\$184,541.00	\$106,291.55	\$78,249.45	\$4,363,521.02
4/17/2034	\$184,541.00	\$104,382.27	\$80,158.73	\$4,281,759.11
10/17/2034	\$191,773.00	\$102,426.39	\$89,346.61	\$4,149,541.00
4/17/2035	\$191,773.00	\$100,246.34	\$91,526.66	\$4,057,099.08
10/17/2035	\$199,269.00	\$98,013.09	\$101,255.91	\$3,954,830.61
4/17/2036	\$199,269.00	\$95,542.44	\$103,726.56	\$3,850,066.78
10/17/2036	\$207,040.00	\$93,011.51	\$114,028.49	\$3,697,918.82
4/17/2037	\$207,040.00	\$90,229.22	\$116,810.78	\$3,581,108.04
10/17/2037	\$215,096.00	\$87,379.04	\$127,716.96	\$3,453,391.08
4/17/2038	\$215,096.00	\$84,262.74	\$130,833.26	\$3,322,557.82
10/17/2038	\$223,448.00	\$81,070.41	\$142,377.59	\$3,180,180.23
4/17/2039	\$223,448.00	\$77,596.40	\$145,851.60	\$3,034,328.63
10/17/2039	\$232,107.00	\$74,037.62	\$158,069.38	\$2,876,259.25
4/17/2040	\$232,107.00	\$70,180.73	\$161,926.27	\$2,714,332.98
10/17/2040	\$241,085.00	\$66,229.72	\$174,855.28	\$2,539,477.70
4/17/2041	\$241,085.00	\$61,963.26	\$179,121.74	\$2,360,355.96
10/17/2041	\$250,394.00	\$57,592.69	\$192,801.31	\$2,167,554.65
4/17/2042	\$250,394.00	\$52,888.33	\$197,505.67	\$1,970,048.98
10/17/2042	\$260,047.00	\$48,069.20	\$211,977.80	\$1,758,071.18
4/17/2043	\$260,047.00	\$42,896.94	\$217,150.06	\$1,540,921.12

10/17/2043	\$270,056.00	\$37,598.48	\$232,457.52	\$1,308,463.60
4/17/2044	\$270,056.00	\$31,926.51	\$238,129.49	\$1,070,334.11
10/17/2044	\$280,435.00	\$26,116.15	\$254,318.85	\$816,015.26
4/17/2045	\$280,435.00	\$19,910.77	\$260,524.23	\$555,491.03
10/17/2045	\$287,951.84	\$13,553.98	\$274,397.86	\$281,093.17
4/17/2046	\$287,951.84	\$6,858.67	\$281,093.17	\$0.00
Totals	\$8,163,912.92	\$3,339,227.92	\$4,824,685.00	

* Lessee may exercise its option to purchase pursuant to Article 18 of the Lease Agreement. Assumes that all Rental Payments and additional rentals due on and prior to that date have been paid.

EXHIBIT C

NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF LEASE AGREEMENT AND ESCROW AGREEMENT

Metro Futures, Inc. (“**Lessor**”) and the City of Patterson (“**Lessee**”) have entered into an that certain Equipment Lease-Purchase Agreement dated April 17, 2026 (the “**Lease Agreement**”), under which Lessee has, or will have prior to its execution hereof, leased equipment (the “**Equipment**”) described therein.

Lessee hereby acknowledges that, pursuant to the terms of the Lease Agreement, Lessor has assigned its right, title, and interest in and to the Lease Agreement, the leased Equipment, and the rental payments to Capital One Public Funding, LLC (“**Assignee**”).

Lessee is hereby directed to pay any and all rental payments and other amounts due under the Lease Agreement to Assignee, as directed by Assignee, pursuant to the instructions contained in any invoice or notice.

Lessee is also hereby directed to send all correspondence, notice and servicing requests to the Assignee at the following address:

Capital One Public Funding, LLC
300 Jericho Quadrangle, 3rd Floor
Jericho, NY 11753
Email: copfinformation@capitalone.com

By signing this Notice and Acknowledgment, Lessee agrees that it will pay all rental payments and other amounts due under the Lease Agreement as directed by Lessee without any set-off notwithstanding any defect in, damage to or requisition of any of the Equipment leased under the Lease Agreement, any other similar or dissimilar event, any defense, set-off, counterclaim or recoupment arising out of any claim against Lessor or Assignee.

Lessee further acknowledges and agrees that Assignee has not assumed any of Lessor’s obligations or duties under the Lease Agreement or made any warranties whatsoever as to the Lease Agreement or the Equipment. Lessee agrees that no change may be made to the Lease Agreement without the prior written consent of Assignee.

Lessee acknowledges that Assignee is acting solely as Assignee for its own loan account and not as a fiduciary for Lessee or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor. Assignee has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Lessee with respect to its purchase of the Lease Agreement. Lessee has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the Lease Agreement from its financial, legal and other advisors (and not Assignee) to the extent that Lessee desired to obtain such advice.

By signing this Notice and Acknowledgment, Lessee warrants that its representations and warranties under the Lease Agreement are true and correct on the date hereof.

Date: April 17, 2026

METRO FUTURES, INC.

By: _____

Name: [_____]

Title: [_____]

ACKNOWLEDGED AND AGREED TO:
CITY OF PATTERSON

By: _____

Name:

Title:

EXHIBIT D-1

INSURANCE CERTIFICATION

Metro Futures, Inc.
12520 High Bluff Drive, Suite 345
San Diego, California 92130

April 17, 2026

Re: That certain Equipment Lease-Purchase Agreement dated as of April 17, 2026 (the "Lease Agreement"), between the City of Patterson, as lessee, and Metro Futures, Inc., as lessor

In connection with the above referenced Lease Agreement, the City of Patterson, as lessee (the "Lessee") certifies that it has instructed the insurance agent named below:

Name of Agent:
Address:
Phone:

to issue the following insurance coverages:

1. *Liability Insurance.* Lessee is required to maintain public liability insurance, personal injury and property damage with policy limits of \$3,000,000. The policy should be endorsed to name Capital One Public Funding, LLC and its successors and assigns, 300 Jericho Quadrangle, 3rd Floor, Jericho, NY 11753 (the "**Additional Insured**") as an additional insured.
2. *Casualty Insurance.* Lessee is required to maintain all risk extended coverage, malicious mischief and vandalism insurance for the Equipment described in the above-referenced Lease Agreement in an amount not less than the greater of \$4,824,685.00 or the full replacement cost of the Equipment. Such insurance shall be endorsed to name the Additional Insured and its successors and or assigns as an additional insured and co-loss payee with respect to such Equipment.

The required insurance should also be endorsed to give the Additional Insured at least 30 days prior written notice of the effective date of any material alteration or cancellation of coverage, and an endorsement confirming that the interest of the Additional Insured shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee.

Proof of insurance coverage will be provided to the Additional Insured prior to and/or commensurate with the later of the Commencement Date of the Lease or the delivery and acceptance of the Equipment.

Very truly yours,

City of Patterson, as Lessee

By: _____

Name: [_____]

Title: [_____]

EXHIBIT E

ESSENTIAL USE CERTIFICATE

Metro Futures, Inc.
12520 High Bluff Drive, Suite 345
San Diego, California 92130

April 17, 2026

Re: Equipment Lease-Purchase Agreement dated as of April 17, 2026, between the City of Patterson, as lessee, and Metro Futures, Inc., as lessor

1. What is the specific use of the Equipment?

Through managing our control run times of new and existing equipment, we will expand our energy management control system and upgrade existing HVAC and control systems where needed. Additionally, the new equipment will allow us to upgrade interior and exterior lighting, transformers and dilapidated equipment. The solar systems will generate electricity and reduce the use of utility-provided electricity

2. What increased capabilities will the Equipment provide?

The new equipment is expected to provide improved air quality, better ventilation and cooling, better temperature control of occupied spaces along with improved control of equipment run-times, deliver more reliable air supply for conditioned spaces, and improve light levels for interiors and exteriors. The new solar equipment at the facilities is expected to generate electricity and reduce the reliance on the utility.

3. Why is the Equipment essential to your ability to deliver governmental services?

The new equipment will improve comfort, alleviate unfunded facility needs, reduce deferred maintenance, and address critical cooling needs for our Staff. It will provide green benefits for the Lessee, reduce use of non-renewable energy sources, and provide cost savings over the life of the project. The operating savings produced from the new equipment will also help us save time and financial resources.

4. Does the Equipment replace existing equipment?

(If so, please explain why you are replacing the existing equipment)

Yes. The existing equipment has exceeded its useful life requiring high maintenance service and frequent emergency repairs.

5. Why did you choose this specific Equipment?

The selected equipment is suitable as direct replacement and/or upgrade of our existing outdated systems and matches the Lessee City standard(s) and product preferences for

our trained Facilities Staff. Additionally, the selected equipment is suitable as solar installations for the identified facilities and provides the Lessee with an appropriate cost to savings ratio.

6. For how many years do you expect to utilize the Equipment?

The Lessee City expects to operate the equipment beyond its individual expected service life, which ranges from 15 to 30 years.

Very truly yours,
City of Patterson, as Lessee

By: _____
Name:
Title:

EXHIBIT F

INCUMBENCY AND CLOSING CERTIFICATE

I, [_____] , do hereby certify that I am the [_____] of the City of Patterson (“**Lessee**”), which is a municipal corporation duly established and validly existing under the laws of the State of California.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of Lessee to:
 - a. Enter into that certain Equipment Lease-Purchase Agreement dated as of April 17, 2026 (the “**Lease Agreement**”), between Lessee and Metro Futures, Inc., as lessor, and that certain Escrow Agreement dated as of April 17, 2026 (the “**Escrow Agreement**”), by and among Lessee, Metro Futures, Inc., and Banc of California, as escrow agent; and
 - b. Execute certificate, documents, and agreements (including tax certificate) relating to the Lease Agreement and Escrow Agreement on behalf of Lessee.

NAME	TITLE	SIGNATURE
[_____]	[_____]	_____
[_____]	[_____]	_____

- (iii) The meeting of the governing body of Lessee at which the Lease Agreement and the Escrow Agreement were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and the action approving the Lease Agreement and the Escrow Agreement and authorizing the execution thereof has not been altered or rescinded. *Attached hereto* is a true and correct copy of the resolution or other documents constituting such official action, together with notice of public hearing.
- (iv) Since June 30, 20__ (date of Lessee’s last audited financial statements), Lessee has not entered into any direct or contingent bond debt, lease, installment

purchase or loan obligation, other than those listed below:

- _____
- _____

(v) The correct billing address for Rental Payments is as follows:

City of Patterson

Attention: _____
[To be provided by Lessee]

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the Lessee.

April 17, 2026

CITY OF PATTERSON

By: _____

Name: [_____]

Title: [_____]

EXHIBIT G

OPINION OF LESSEE'S COUNSEL (Validity Opinion)

April 17, 2026

Metro Futures, Inc.
12520 High Bluff Drive, Suite 345
San Diego, California 92130

Re: Equipment Lease-Purchase Agreement dated as of April 17, 2026, between the City of Patterson, as lessee, and Metro Futures, Inc., as lessor

Ladies and Gentlemen:

As counsel to the City of Patterson (the “**Lessee**”), I have examined that certain Equipment Lease-Purchase Agreement dated as of April 17, 2026, including all exhibits thereto (collectively, the “**Lease Agreement**”), between the Lessee and Metro Futures, Inc., as lessor (“**Lessor**”), the Escrow Agreement dated as of April 17, 2026, together with the Certificate of Acceptance and Payment Request thereto (collectively, the “**Escrow Agreement**”), by and among the Lessee, Lessor and the escrow agent named therein, the City Funded Construction Contract dated _____, 20_ (the “**Vendor Contract**”), between Lessee and Alliance Building Solutions, Inc., and the proceedings taken by the Governing Body of the Lessee to authorize on behalf of the Lessee the execution and delivery of the Lease Agreement, the Escrow Agreement and the Vendor Contract. The Lease Agreement, the Escrow Agreement and the Vendor Contract are herein collectively referred to as the “**Transaction Documents**.” Based upon the foregoing examination and upon an examination of such other documents and matters of law as we have deemed necessary or appropriate, we are of the opinion that:

1. The Lessee is a political subdivision of the State of California and operates under a Governing Board, and the laws of the State of California with full power and authority to purchase the Equipment and to enter into the Transaction Documents and perform its obligations thereunder.

2. The Transaction Documents have each been duly authorized, executed, and delivered by the Lessee. Assuming due authorization, execution and delivery thereof by Lessor, the Transaction Documents constitute legal, valid, and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors’ rights generally.

3. The Equipment to be leased pursuant to the Lease Agreement constitutes personal property and, when subjected to use by the Lessee, will not be a fixture under applicable law.

4. The Lessee has complied with any applicable public bidding requirements and other applicable State of California and federal laws, including [Note to Counsel: reference

applicable California energy savings statute], in connection with the Transaction Documents and the transactions contemplated thereby. By proper action, the Governing Body of the Lessee authorized the execution and delivery of the Transaction Documents and certain other matters, which actions were duly taken at a meeting that was held in compliance with all applicable laws relating to the holding of open and public meetings.

5. No litigation or proceeding is pending or, to the best of my knowledge, threatened to restrain or enjoin the execution, delivery, or performance by the Lessee of the Transaction Documents or in any way to contest the validity of the Transaction Documents, to contest or question the creation or existence of the Lessee or the Governing Body of the Lessee or the authority or ability of the Lessee to execute or deliver the Transaction Documents or to comply with or perform its obligations thereunder or the security interest of Lessor or its assigns, as the case may be, in the Equipment. There is no litigation pending or, to the best of my knowledge, threatened seeking to restrain or enjoin the Lessee from annually appropriating sufficient funds to pay the rental payments or other amounts contemplated by the Lease Agreement or which would affect Lessee's obligations to make rental payments under the Lease Agreement.

6. The entering into and performance of the Transaction Documents do not and will not violate any judgment, order, law, or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of the Lessee or on the Equipment (as such term is defined in the Lease Agreement) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement, or other instrument to which the Lessee is a party or by which it or its assets may be bound. Notwithstanding the foregoing, upon the due and timely filing of a UCC-1, the Lessor will have a perfected security interest in the Equipment.

7. The authorization, execution, delivery and performance of the Transaction Documents by the Lessee do not require submission to, approval of, or other action by any governmental authority or agency which action has not been taken and is final and non-appealable.

Capitalized terms used herein shall have the meanings set forth in the Lease Agreement. This opinion may be relied upon by Lessor and purchasers and assignees of Lessor's interests in the Lease Agreement.

Respectfully submitted,

EXHIBIT H

TAX OPINION

[To be provided by Tax Counsel.]

EXHIBIT I
INTENTIONALLY OMITTED

EXHIBIT J

POST-ISSUANCE TAX COMPLIANCE PROCEDURES

[To be provided by Tax Counsel.]

EXHIBIT K

ESCROW AGREEMENT

LESSOR:
Metro Futures, Inc.
12520 High Bluff Drive, Suite 345
San Diego, California 92130

ESCROW AGENT:
Banc of California
10100 Santa Monica Blvd., Suite 2500
Los Angeles, California 90067

LESSEE:
City of Patterson
1 Plaza Cir
Patterson, California 95363

THIS ESCROW AGREEMENT (this “**Escrow Agreement**”) is made as of April 17, 2026, by and among Metro Futures, Inc. (“**Lessor**”), the City of Patterson (“**Lessee**”), and Banc of California (the “**Escrow Agent**”).

Lessor and Lessee have heretofore entered into that certain Equipment Lease-Purchase Agreement dated as of April 17, 2026 (the “**Lease Agreement**”). The Lease Agreement contemplates that certain Equipment described therein (the “**Equipment**”) is to be acquired from the vendor(s) or manufacturer(s) thereof.

After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease Agreement.

The Lease Agreement contemplates that Lessor will deposit with the Escrow Agent cash in the amount of \$4,824,685.00 (the “**Deposit Amount**”), for deposit into the escrow fund (the “**Escrow Fund**”), to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit into the Escrow Fund, together with all interest and additions received with respect thereto, is to be applied from time to time to pay the vendor(s) or manufacturer(s) of the Equipment (as defined in the Lease Agreement) its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee) and to pay certain costs of entering into the Lease Agreement. The Escrow Fund is to be held for the account and benefit of Lessee, and Lessee has granted to Lessor a first priority and perfected lien on and security interest in the Escrow Fund and any all proceeds, interest and other earnings thereon and investments therein to the Lessor by virtue of the execution of this Escrow Agreement and the Lease Agreement without the need for any additional filings or financing statements.

The parties desire to set forth the terms on which the escrow is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably

in trust for the account and benefit of Lessee and all interest earned with respect to the Escrow Fund shall accrue to the benefit of Lessee and shall be applied as expressly set forth herein.

2. There is hereby created a special account to be known as the “City of Patterson Escrow Fund” (the “Escrow Fund”) to be held in trust 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.

To the limited extent required to perfect the first, priority security interest granted by Lessee to Lessor in the cash and negotiable instruments from time to time held in the Escrow Fund, Lessor hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of Lessor.

3. On such day as determined to the mutual satisfaction of the parties (the “**Commencement Date**”), Lessor shall deposit with the Escrow Agent cash in the amount of the Deposit Amount to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Deposit Amount by Lessor with the Escrow Agent, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.
4. The Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments held in the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).
5. Lessee hereby directs the Escrow Agent to invest the cash held in the Escrow Fund from time to time in a Banc of California non-interest bearing demand deposit account with no fees or costs or, in the event such fund is not at the time available, such other investments as Lessee may specify in writing, to the extent the same are at the time legal for investment of the funds being invested. No investment shall be made that would cause the Lease Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.
6. Lessor and Lessee hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:
 - a. From time to time, the Escrow Agent shall pay by wire transfer the vendor or manufacturer of the Equipment payments then due and payable, or reimburse Lessee for amounts that it has paid to the vendor or manufacturer of the Equipment, upon receipt of the following: (a) a duly executed Certificate of

Acceptance and Payment Request in the form attached as Exhibit A hereto executed by the Lessee and approved for payment by the Lessor, (b) the vendor(s) or manufacturer(s) invoice(s) specifying the acquisition price of the Equipment described in the requisition request, and (c) any additional documentation required by Lessor. Escrow Agent will rely solely upon a duly executed Certificate of Acceptance and Payment Request in the form attached as Exhibit A hereto executed by the Lessor and Lessee in order to disburse funds within 3 business days of receipt, and Escrow Agent shall make the payments described in such document without further inquiry. Without limiting the foregoing, Lessor shall not be required to approve any such payment unless and until Lessee shall have provided or caused to be provided to Lessor (i) certificates of insurance evidencing coverage in accordance with the Lease Agreement and satisfactory to Lessor; and (ii) payment and performance bonds naming Lessor and its successors and assigns as an additional obligee and issued by a surety company rated "A" or better by AM Best in form and substance satisfactory to Lessor.

- b. If Lessor provides to the Escrow Agent (with a copy to Lessee) written notice of the occurrence of an Event of Default or an Event of Nonappropriation by Lessee under the Lease Agreement, the Escrow Agent shall thereupon promptly remit to Lessor the entire balance of the Escrow Fund pursuant to written instructions provided by Lessor to the Escrow Agent.
- c. On or before the Acquisition Period (as defined below) or upon receipt by the Escrow Agent of a duly executed Certificate of Acceptance and Payment Request identified as the final such request, the remaining moneys in the Escrow Fund shall, *first* be applied to all reasonable fees and expenses incurred by the Escrow Agent, if applicable, in connection herewith as evidenced by its statement forwarded to Lessor and Lessee; and *second*, be paid to Lessor for application on any Rental Payment Date to all or a portion of the Rental payment due and owing in the succeeding twelve (12) months and any remaining amount shall be applied by the Lessor as prepayment to the remaining principal balance owing under the Lease Agreement, in inverse order of Rental Payment Dates, unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest component of the Rental payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Payment Schedule attached to the Lease Agreement will be revised accordingly, as specified by Lessor.

"Acquisition Period" means April 17, 2029, which is the date that the Escrow Fund shall terminate, unless such date is extended in writing by the Lessor and the Lessee.

- 7. The Escrow Agent shall have no liability for acting upon any written instruction presented by Lessee and Lessor in connection with this Escrow Agreement that the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall

not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct, or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made pursuant to Section 5.

8. To the extent authorized by law, Lessee hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct, or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.
9. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Lessor and Lessee. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent.

Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Lessor and Lessee.

10. This Escrow Agreement shall terminate upon receipt by the Escrow Agent of the written notice from Lessor specified in Section 6(b) or Section 6(c) hereof.
11. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date or receipt.
12. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor and Lessee.
13. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification, or change of terms hereof shall bind any party unless in writing signed by all parties.
14. The Escrow Agent may employ agents, attorneys and accountants in connection with its

duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants, or other skilled persons.

15. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.
16. This Escrow Agreement may be executed in several counterparts, each of which so executed will be an original. In addition, the parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank]

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

LESSOR: METRO FUTURES, INC.

LESSEE: CITY OF PATTERSON

By: _____

Name:

Title:

By: _____

[_____]

[_____]

ESCROW AGENT: BANC OF CALIFORNIA

By: _____

[_____]

[_____]

EXHIBIT A TO ESCROW AGREEMENT

CERTIFICATE OF ACCEPTANCE AND PAYMENT REQUEST

The following payment request is directed to Banc of California (the “**Escrow Agent**”), as escrow agent under that certain Escrow Agreement dated as of April 17, 2026 (the “**Escrow Agreement**”), between the City of Patterson (“**Lessee**”), Metro Futures, Inc. (“**Lessor**”), and the Escrow Agent. Because Metro Futures, Inc. has assigned all of its right, title, and interest in and to the Escrow Agreement to Capital One Public Funding, LLC, all references herein to “**Lessor**” shall mean Capital One Public Funding, LLC.

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under the Escrow Agreement the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee). The equipment described below is part or all of the Equipment leased pursuant to that certain Equipment Lease-Purchase Agreement and Equipment Schedule thereto, both dated as of April 17, 2026 (the “**Lease Agreement**”), between Lessor and Lessee:

QUANTITY	DESCRIPTION OF UNITS OF EQUIPMENT	AMOUNT	PAYEE
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Lessee hereby certifies and represents to and agrees with Lessor as follows with respect to the Equipment described above: (i) (i) the amount to be disbursed is not being paid in advance of the time, if any, fixed for any payment, and does not include any retained percentage entitled to be retained by Lessee at this time; (ii) no amount requested to be disbursed was included in any payment request previously filed with the Escrow Agent for which payment was actually made by the Escrow Agent; (iii) Lessee has made such investigation of such sources of information as are deemed necessary and is of the opinion that the applicable portion of the Equipment and related work has been fully paid for, and no claim or claims exist against the Lessee or the Vendor out of which a lien based on furnishing labor or material exists or might arise; (iv) acquisition and installation of the applicable portion of the Equipment for which payment is being requested has been completed in accordance with plans and specifications approved by the Lessee and in accordance with the terms and conditions of the related contract with the Vendor (the “**Vedor Agreement**”), and said applicable portion of the Equipment is suitable and sufficient for the expected uses thereof, however, this statement is made without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being; (v) the amount remaining in the Escrow Fund will, after payment of the amount requested, be sufficient to pay the remaining costs of the Equipment; (vi) a present need exists for the Equipment, which need is not temporary or expected to diminish in the near future; (vii) the Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope

of Lessee's authority; (viii) the estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of the Lease Agreement; (ix) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate; (x) the Equipment is covered by insurance in the types and amounts required by the Lease Agreement; (xi) no Event of Default or Event of Nonappropriation, as those terms are defined in the Lease Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default or an Event of Nonappropriation, has occurred and is continuing on the date hereof; and (xii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under the Lease Agreement during Lessee's current Fiscal Year.

Based on the foregoing, the Escrow Agent is hereby authorized and directed to fund the acquisition of the Equipment set forth above by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

The following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) lien waivers, if applicable.

IF REQUEST IS FOR REIMBURSEMENT, CHECK HERE . Lessee paid an invoice prior to the Commencement Date identified in the Lease Agreement and is requesting reimbursement for such payment. A copy of evidence of such payment together with a copy of Lessee's declaration of official intent and other evidence required by Lessor prior to Lessor's approval hereof that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. 1.150-2 is hereby attached. Lessor's approval hereof shall evidence that Lessee has delivered to Lessor such required documentation.

[Remainder of page intentionally left blank]

IF REQUEST IS FINAL REQUEST, CHECK HERE Lessee hereby certifies that (a) all of the Equipment described in the Lease Agreement has been received in good condition and has been installed in accordance with the Vendor Agreement, (b) such Equipment is accepted "AS-IS, WHERE-IS"; (c) Lessee has inspected the Equipment, and determined that it is in good working order and complies with all purchase orders, contracts and specifications; (d) Lessee has fully and satisfactorily performed all covenants and conditions to be performed by it as of this date under the Lease Agreement with regard to such Equipment; (e) Lessee waives any right to revoke its acceptance; and (f) the Equipment is fully insured in accordance with the Lease Agreement. This certificate is made without prejudice to any rights against third parties which may exist as of the date hereof or which may subsequently come into being.

Date: _____

Date: _____

Approved:

Capital One Public Funding, LLC (assignee of City of Patterson, as Lessee
Metro Futures, Inc.), as Lessor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE A TO ESCROW AGREEMENT:

NOTICE AND ACKNOWLEDGEMENT OF
ASSIGNMENT OF ESCROW AGREEMENT

Metro Futures, Inc. (“**Lessor**”), the City of Patterson (“**Lessee**”), and Banc of California (“**Escrow Agent**”) have entered into an Escrow Agreement dated as of April 17, 2026 (the “**Escrow Agreement**”), pursuant to which Lessor, or its Assignee (as defined below), has deposited cash into the Escrow Fund established thereunder, which funds are to be used by Lessee to acquire certain Equipment.

Escrow Agent is hereby notified that Lessor has assigned all of its right, title, and interest in and to the Escrow Agreement to Capital One Public Funding, LLC (“**Assignee**”), including, in particular, but without limitation, Lessor’s security interest in the Escrow Fund and Lessor’s right to approve all payment requests submitted by Lessee.

Any and all correspondence and notices to be delivered by Escrow Agent to Assignee should be provided to Assignee as set for the below:

Capital One Public Funding, LLC
300 Jericho Quadrangle, 3rd Floor
Jericho, NY 11753
Email: copfinformation@capitalone.com

Date: April 17, 2026

LESSOR: METRO FUTURES, INC.

LESSEE: CITY OF PATTERSON

By: _____

Name:

Title:

By: _____

Name:

Title:

Acknowledged:

ESCROW AGENT: BANC OF CALIFORNIA

By: _____

Name:

Title:

EXHIBIT L
RESOLUTIONS OF LESSEE, INCLUDING NOTICE OF
PUBLIC HEARING

[To Be Provided By Lessee]

EXHIBIT M

TAX CERTIFICATE AND IRS FORM 8038-G

[To be prepared by Tax Counsel]

EXHIBIT N
CLOSING MEMORANDUM

\$4,824,685.00

**EQUIPMENT LEASE-PURCHASE AGREEMENT AND EQUIPMENT SCHEDULE THERETO BOTH
DATED AS OF APRIL 17, 2026
BETWEEN THE CITY OF PATTERSON, AS LESSEE, AND
METRO FUTURES, INC., AS LESSOR**

Pre-Closing: Pre-Closing will be held at the Lessee's convenience, on or before April 13, 2026. All documents will be executed and two originals will be overnighted to Metro Futures, Inc., Attn.: Brad Chapman, 12520 High Bluff Drive, Suite 345, San Diego, California 92130, for delivery no later than 9:00 am on the morning of April 13, 2026 and held in trust until such time as the wires and original documents are released by the Parties.

Closing: (1) By wire transfer, on the morning of April 17, 2026, the Lessor shall wire or cause to be wired, the Total Lease Proceeds in the amount of \$4,824,685.00 to the Escrow Agent, as follows:

Bank Name:	Banc of California, N.A.
ABA No:	122243774
Account No	[_____]
Account Name:	Banc of California as Escrow Agent – City of Patterson

(2) After receipt of the wire from the Lessor referenced above, the Escrow Agent is authorized by Lessee to transfer via wire the Issuance Costs in the amount of \$5,000 to Lessor as follows:

Bank Name:	BMO (Bank of Montreal)
ABA Number:	071025661
Account Number:	4845314614
Account Name:	Metro Futures, Inc.

Metro Futures, Inc. will confirm disbursement of funds to the Lessee's escrow account and then release all of the original documents held in trust to its assignee and forward a copy to the Lessee.

Sources and Uses of Funds:

Principal Amount of Lease	\$4,824,685.00
TOTAL SOURCES	\$4,824,685.00
Total Equipment Cost:	\$4,794,785.00
Issuance Costs:	\$29,900.00
TOTAL LEASE PROCEEDS	\$4,824,685.00

Attest:

CITY OF PATTERSON, as Lessee

By: _____
Name: []
Title: []