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SUMMARY OF TERMS AND CONDITIONS

Date: January 6, 2026

Lessee: City of Salinas, CA (“Lessee”)

Lessor: Banc of America Public Capital Corp or Designee (“Lessor”)

Structure: Privately-Placed Lease Purchase with appropriation

Amount: Approximately \$3.2MM

Security: Assets being financed

Interest Rate: A) 7 years: 3.4917% B) 10 years: 3.7832%

The rates indicated above are for a funding on or before March 6th, Subject to Council action, this rate must be locked within 8 days via an email that indicates that Lessor is being recommended for an award. If the rate is not locked, it is subject to change based on market conditions.

Prepayment: Pre-payable in full after half of the term at par (without penalty) on any regularly scheduled payment date.

Governmental Entity Lease: The Base Rent installments are calculated on the assumptions, and Lessee will represent, that Lessee is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the “Code”), and that this transaction will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status. Lessee shall comply with the filing requirements of Section 149(e) of the Code.

End of Term: At the expiration of the Lease Term, Lessee will own the equipment.

Opinion of Counsel: Lessee's counsel shall deliver a validity opinion to Lessor at closing in form and substance satisfactory to Lessor. The opinion of counsel will cover that counsel has reviewed the documents and examined, approved and attached the text of the enabling resolution of Lessee's governing body authorizing Lessee to enter into the Lease.

Documentation: Subject to legal and credit review; however, **the City and BAPCC already have a negotiated master lease in place.** This transaction would merely be a schedule to that master lease document. A performance bond will be required if payment is made to the vender/dealer prior to the assets being delivered.

Credit: Subject to credit and documentation approvals but the City already has a relationship with BAPCC and therefore, this review and closing can be done timely.

Market Disruption: Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this Proposal Letter, including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, the Lessor may modify the indicative pricing described above.

USA Patriot Act Compliance: Lessee acknowledges that pursuant to the requirements of the USA Patriot Act, as amended from time to time (including as amended by the USA Freedom Act of 2015) (the "Patriot Act"), Lessor is required to obtain, verify and record information that identifies Lessee, which information includes the name and address of Lessee and other information that will allow Lessor to identify Lessee in accordance with the Patriot Act.

Proposal Expiration: This proposal will expire on March 30, 2026, and may be re-issued at Lessor's discretion.

This proposal is submitted in response to your Request for Proposals for Lease Purchase Financing of equipment, due January 6, 2026.. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 et seq.).

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.