

RESOLUTION NO. 2025-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA APPROVING A MASTER EQUIPMENT LEASE / PURCHASE AGREEMENT AND ESCROW AND ACCOUNT CONTROL AGREEMENT, MAKING REQUIRED FINDINGS AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Fullerton ("City"), determined it necessary and desirable to finance the acquisition of certain ambulance vehicles and certain ancillary equipment, including gurneys and related equipment, to enable the City to provide ambulance services to the City (collectively, the "Equipment").

WHEREAS, accomplish Equipment financing, the City and Banc of America Public Capital Corp ("BAPCC") and/or an affiliate of BAPCC ("Lender") desire to enter, among other things, a Master Equipment Lease / Purchase Agreement, by and between the City and the Lender and staff presented the Equipment Schedule No. 1 – General Equipment, the Payment Schedule and documents related thereto (collectively, the "Lease") including the Escrow and Account Control Agreement by and between the City, Lender and Argent Institutional Trust Company, a Florida trust company as escrow agent ("Escrow Agreement") to the City Council of the City of Fullerton ("City Council") at the same meeting it adopted this Resolution.

WHEREAS, pursuant to the Lease, the City will grant a security interest in the Equipment to the Lender in consideration for the Lender financing such Equipment in an amount not to exceed \$2,000,000 and the City will lease the Equipment from the Lender and pay certain rental payments in connection therewith.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FULLERTON RESOLVES AS FOLLOWS:

1. Recitals. City Council finds and declares the recitals true and correct and adopted by this reference as findings of City Council.
2. Best Interest. City Council determines the Lease and Escrow Agreement (hereinafter defined) and the transaction authorized by this Resolution in the best interest of the City and its residents.
3. Authorization of the Lease. City Council approved the form of the Lease presented at this meeting, and on file with the City Clerk, provided the maximum principal amount of all rental payments pursuant to the Lease shall not exceed \$2,000,000 and the interest rate on the principal component of rental payments shall not exceed 4.50%. City Council authorizes the City Manager, Administrative Services Director, or their authorized designees (the "Authorized Officers") for and in the name of the City to execute a Lease in substantially the form on file with the City Clerk, with such additions thereto and changes therein as recommended or approved by Stradling Yocca Carlson & Rauth LLP, as Special Counsel ("Special Counsel"), the City Attorney and the officers executing

the same. Authorized Officers shall conclusively evidence such changes by execution and delivery of the Lease Approval. City Council authorizes each Authorized Officer to execute, acknowledge and deliver all documents required to consummate the transactions contemplated by the Lease.

4. Escrow Agreement Authorization. City Council approves the form of Escrow Agreement by and among the Lender, the City and Argent Institutional Trust Company, a Florida trust company, as escrow agent, presented to this meeting and on file with the City Clerk. City Council authorizes the Authorized Officers for and in the name of the City to execute the Escrow Agreement in substantially the form on file with the City Clerk, with such additions thereto and changes therein as recommended or approved by Special Counsel, the City Attorney and the officers executing the same. Authorized Officers shall conclusively evidence approval of such changes by execution and delivery of the Escrow Agreement. City Council authorizes the Authorized Officers to execute, acknowledge and deliver all documents, including Disbursement Requests, required to consummate the transactions contemplated by the Escrow Agreement.
5. Appointment of Professionals. City Council appoints Stradling Yocca Carlson & Rauth LLP as Special Counsel and Urban Futures, Incorporated as Municipal Advisor in connection with the proposed Financing. City Council authorizes each Authorized Officer to enter into such professional services agreements, amendments or addenda to the professional services agreements with such professionals, as necessary to provide for such services in connection with financing the Equipment and the other matters approved herein. City Council approves, confirms and ratifies all actions heretofore taken by the Authorized Officers in furtherance thereof.
6. Other Actions. City Council authorizes each Authorized Officer, jointly and severally, to do all things and to execute and deliver all documents they deem necessary and advisable to consummate entry into the Lease and the Escrow Agreement and otherwise effectuate the purposes of this Resolution.
7. Reimbursement. City Council desires to finance certain capital expenditures in connection with the Equipment prior to receipt of proceeds of the Lease for the Equipment. City Council states its intention and reasonably expects to use the the Lease proceeds to reimburse itself for Equipment expenditures. City Council adopts this section of the Resolution to establish compliance with the Treasury Regulation Section 1.150-2 requirements and any other Internal Revenue Service regulations relating to reimbursement qualification of City expenditures incurred prior to the date of the Lease. This section of the Resolution does not bind the City to make any expenditure, incur any indebtedness or proceed with the Equipment purchase.
8. Authorization to Solicit Alternative Financing. City Council authorizes each Authorized Officer (in consultation with the City Special Counsel, City Attorney and Municipal Advisor) to solicit alternative financing to acquire Equipment in the

event the rate lock provided by the Lender expires prior to commencing the financing transaction contemplated in this Resolution. In such event, City Council further authorizes the Authorized Officers to negotiate new financing terms with the Lender or with a different lender, negotiate terms of the necessary and appropriate financing agreements and proceed with financing the Equipment, subject to the parameters set forth in Section 3.

9. Good Faith Estimates. City Council acknowledges that the good faith estimates required by California Government Code Section 5821.1 are attached hereto as Exhibit A and made available to the public at the same meeting City Council approved this Resolution.
10. Approval. City Council approves, confirms and ratifies all actions heretofore taken by the Authorized Officers with respect to the Lease and Escrow Agreement or in connection with or related to any of the agreements or documents referenced herein.
11. Effect. This Resolution shall take effect from and after the date of approval and adoption hereof.
12. Electronic Signatures. City Council hereby approves execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as permitted by the California Uniform Electronic Transactions Act and digital signatures as permitted by California Government Code Section 16.5 using DocuSign.
13. Certification. The City Clerk shall certify to the adoption of this Resolution.

ADOPTED BY THE CITY OF FULLERTON ON DECEMBER 2, 2025.

Fred Jung
Mayor

ATTEST:

Lucinda Williams, MMC
City Clerk

Attachments:

- Attachment 1 – Good Faith Estimates

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Lease in accordance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the City by Urban Futures, Incorporated, the City's municipal advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan, its good faith estimate of the aggregate principal amount of the Lease to be issued and sold is **\$1,955,000** (the "Estimated Principal Amount").

True Interest Cost of the Lease. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Lease, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Lease, is **3.50%**.

Finance Charge of the Lease. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Lease, which means the sum of all fees and charges paid to third parties (or costs associated with the Lease), is **\$42,989**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Lease, less the finance charge of the Lease, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Lease, is **\$1,912,011**.

Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Lease is sold, and based on the interest rate of the Lease, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay the Lease, plus the finance charge for the Lease, as described above, not paid with the proceeds of the Lease, calculated to the final maturity of the Lease, is **\$2,174,639**, which excludes any reserves or capitalized interest funded or paid with proceeds of the Lease (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on information available at the time of preparation of such estimates. The actual principal amount of the Lease issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with

respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Lease being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Lease issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Lease being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Lease being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of the Lease and the actual principal amount of Lease issued and sold will be determined by the City based on the timing of the need for proceeds of the Lease and other factors.