

MEMORANDUM OF UNDERSTANDING

Climatec LLC ("*Climatec*"), the City of San Leandro, California (the "*City*") and Banc of America Public Capital Corp desire to enter into this Memorandum of Understanding (this "*Memorandum*") entered into as of January 22, 2021, relating to that certain Installation Agreement dated as of September 21, 2020 (the "*Vendor Agreement*") by and between Climatec and the City. Pursuant to the Vendor Agreement, Climatec has agreed to (i) install certain materials and equipment financed or to be financed with the proceeds of the hereinafter defined Financing Agreement (the "*Equipment*"), (ii) provide other services related to the installation of the Equipment and (iii) reduce energy-related operating costs for the City through the project development and implementation, including, engineering, system design, fabrication and installation of energy efficiency measures that will result in energy savings to the City and which shall be a supply of energy to the City. Banc of America Public Capital Corp (with its successors and assigns, "*BAPCC*") and the City will be entering into an Equipment Lease/Purchase Agreement (Escrow Account), dated January 22, 2021 (the "*Financing Agreement*") to finance the cost of the Equipment under the Vendor Agreement. BAPCC, Climatec, and the City are collectively referred to in this memorandum as the "*Parties.*" Unless specifically defined in this Memorandum, defined terms have the meanings set forth in the Vendor Agreement.

The purpose of this Memorandum is to set forth the understanding of the Parties with respect to the rights of the Parties relating to the Equipment and certain other matters herein.

Under Section 6.02 of the Financing Agreement, the City grants to BAPCC a first priority security interest constituting a first lien on (a) the Equipment, together with all replacements, repairs and restorations thereof or thereto, and all substitutions and renewals to any and all of such Equipment, (b) moneys and investments held from time to time in the Escrow Account (as defined in the Financing Agreement), (c) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the Equipment or the Escrow Account, as such terms are defined in Article 9 of the California Commercial Code, and (d) any and all proceeds of any and all of the foregoing, including, without limitation, insurance proceeds. For purposes of the Vendor Agreement, Climatec hereby consents to the City's grant of a security interest to BAPCC in and to the Equipment to be installed or furnished under the Vendor Agreement and consents to the lien and security interest in favor of BAPCC described in the preceding sentence.

The Parties hereto acknowledge and agree that, notwithstanding any provision in the Vendor Agreement to the contrary:

1. Notwithstanding the provisions of the Vendor Agreement, title to the Equipment (or portion thereof) shall pass free and clear to the City from Climatec upon payment by the City for the Equipment, Work or services corresponding to such Equipment (or portion thereof);

2. BAPCC is paying for the costs of the Equipment, pursuant to and in accordance with the Financing Agreement and related escrow agreement, and shall have all rights and remedies set forth in the Financing Agreement regarding return of the Equipment in the event of termination, due to non-appropriation, default or otherwise; and

3. Climatec's remedies with respect to any amounts due under the Vendor Agreement, whether due to any default of the City, non-appropriation, termination or otherwise, shall not include return of the Equipment to Climatec and Climatec shall not enter upon the job sites for the Work and disconnect and/or remove any Equipment without the prior written consent of BAPCC.

Dated January 22, 2021

CLIMATEC LLC

BANC OF AMERICA PUBLIC CAPITAL CORP

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CITY OF SAN LEANDRO, CALIFORNIA

By: _____
Name: _____
Title: _____