

**Up to \$3,225,000 in the form of a  
Tax-Exempt Bank Purchase Bond**

*PROVIDED BY*

EDWARD C. (TED) NEU  
MANAGING DIRECTOR, INSTITUTIONAL MARKETS  
BMO BANK N.A.

*FOR THE BENEFIT OF*

**CITY OF CHINO PUBLIC  
FINANCING AUTHORITY**

**June 17, 2026**



Commercial Bank

June 17, 2026

*Delivery via Email*

Jose Vera  
Managing Director  
Raymond James  
[Jose.vera@raymondjames.com](mailto:Jose.vera@raymondjames.com)

RE: City of Chino Public Financing Authority Lease Revenue Bond (Series 2026) – Request for Bid / Term Sheet  
Updated and final terms submitted 6/16/26

Dear Mr. Jose Vera:

Thank you for the opportunity to respond to the proposal request for the City of Chino Public Financing Authority (the “Authority”). BMO Bank N.A. (“BMO”) is very interested in furthering our relationship with the City of Chino by providing this credit facility. We believe BMO is an excellent business partner for the City for the following reasons:

- Our deep presence and support of local governments in California
- The willingness to make a significant commitment of our balance sheet
- Strong and stable credit ratings from Moody’s, S&P, and Fitch
- Broad capabilities through BMO Financial Group

The primary contact for these financings will be Ted Neu. Thach Vang, VP, Relationship Manager, will provide assistance on deal matters prior to closing and will continue to be part of the City’s team post-closing.

Should any part of this proposal conflict with the City’s structuring parameters, we would be happy to discuss mutually acceptable alternatives. If you have any questions or concerns, please feel free to contact me directly at (212) 748-9879 or Thach at (949) 255-5090. Once again, thank you for the opportunity and we look forward to hearing from you.

Sincerely,



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Edward C. (Ted) Neu  
Managing Director  
Public Finance  
[edward.neu@bmo.com](mailto:edward.neu@bmo.com)



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Thach “Tot” Vang  
Vice President, Relationship  
Manager  
Government Banking  
[thach.vang@bmo.com](mailto:thach.vang@bmo.com)

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## Tax-Exempt Bank Purchase Lease Summary of Terms and Conditions

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**(For discussion purposes only – not a commitment to lend)**

<b>Borrower(s):</b>	City of Chino Public Financing Authority on behalf of the City of Chino
<b>Bank:</b>	BMO Bank N.A. or affiliate (“BMO” or the “Bank”).
<b>Lease:</b>	A \$3,225,000 2026 Lease Financing in the form of Tax-Exempt Lease Revenue Bond, Series 2026
<b>Purpose:</b>	This financing will be used to finance the acquisition of real estate property adjacent to Chino City Hall through the issuance of the Authority’s 2026 Lease Revenue Bond and to pay related costs of issuance.
<b>Interest Rates:</b>	The interest rate on the Bond, based on the option selected by the Borrower, and Other Fees are set forth in Exhibit II.
<b>Security:</b>	The 2026 Lease Financing is secured by pledged Base Rental Payments payable by the City of Chino pursuant to the Lease Agreement, from any source of legally available funds, including but not limited to unrestricted monies of the City. Lease payments are subject to abatement and annual appropriation in each fiscal year.
<b>Description of the Leased Facilities:</b>	The leased asset for the 2026 Lease Revenue Bond consists of the City of Chino Senior Center, a recently renovated municipal facility located at 13170 Central Avenue, Chino, California 91710. The facility is approximately 12,980 square feet and has an estimated replacement cost of approximately \$5.7 million, exclusive of land value. Pursuant to the financing documents, the leased asset will secure the City’s lease payment obligations under the Lease Agreement
<b>Principal &amp; Interest Payments:</b>	Interest shall be calculated on a 30/360 basis. The first interest payment shall be due October 1, 2026. Principal and interest payments shall be made in accordance with the amortization schedule applicable to the selected financing option and the terms of the Bond documents
<b>Reporting Requirements:</b>	The City shall deliver its audited financial statements within 270 days after the close of each fiscal year and its Annual Adopted Budget within 60 days of adoption. Other information shall be provided upon request of the Bank.
<b>Key Documents:</b>	The financing shall be documented through customary lease revenue bond documentation, including but not limited to the Lease Agreement, Indenture, Supplemental Agreement, and related closing documents, together with customary opinions of counsel and certificates. All documents shall be in form and substance acceptable to the Bank and consistent with the requirements of the City’s Request for Bids and applicable law.
<b>Conditions Precedent:</b>	Customary for transactions of this nature and as needed for the Bank’s standard underwriting, including execution of the key documents and other documents, delivery of legal opinions of counsel on validity, resolution, no litigation and tax-exemption, and other customary conditions precedent.

**Events of Default:** Usual and customary for facilities of this type, including, without limitation, failure to pay when due, inaccurate or false representations or warranties, cross default to other debt, insolvency, bankruptcy, pension defaults, violation of covenants, invalidity or repudiation, unsatisfied judgments and material adverse change in the Department's financial condition or business.

**Legal Counsel:** The Bank will engage Nixon Peabody LLP as the Bank's legal counsel. Rudy S. Salo, Partner, will be acting in the capacity of lead attorney representing the Bank. Absent extraordinary issues, legal fees are \$15,000 assuming that Bond Counsel drafts all documents.

*This Summary of Terms and Conditions, together with any accompanying transmittal letter, should be viewed as an outline intended for discussion purposes only and are for the Borrower's confidential use and may not be disclosed to any other person other than its employees, attorneys, board members and/or financial advisors. It should not in any way be viewed as a commitment by BMO Bank N.A., or any other entity to extend credit to the Borrower. Rates, fees, and terms are subject to market conditions at all times until the Bank shall commit in writing otherwise. In any event, this term sheet should not be regarded as indicative after two weeks after proposal date.*

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## **Exhibit I**

## Information on BMO Bank N.A.

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	<b>Public Ratings for BMO Bank N.A.</b>		
	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
<b>Long Term Ratings:</b>	A+	A1	AA+
<b>Short Term Ratings:</b>	A-1	P-1	F1+
<b>Outlook:</b>	Stable	Stable	Stable

The Bank's most recent annual report can be accessed via the following website:

<http://www.bmo.com/home/about/banking/investor-relations/annual-reports-proxy-circulars>

## Exhibit II Pricing and Other Fee Information

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### Interest Rates

**Fixed Rate Option:** Fixed Rate of interest is equal to the Bank's Reference Rate times the Tax Factor plus the Adjusted Credit Spread as set forth in the table below and payable on a 360-day basis. The Bank will honor the quoted rate absent any extraordinary moves in market rates. The rate may be definitively locked two weeks prior to closing.

Initial Put (yrs)	Amortization	Fixed Rate
10	10	4.15%
15	15	4.25%
10	20	4.33%

### Other Fees and Rates

**Other Fees:** Bank reserves the right to assess fees for amendments, substitutions, renewals, waivers, any payment default and other expenses. Amount to be determined based on the complexity of the request.

**Default Rate:** Base Rate + 4.00%  
Appropriate market standard cure periods will be added for non-payment defaults

**Base Rate:** Defined as the higher of (i) Prime Rate, (ii) Fed Funds plus 2%, (iii) Daily Simple SOFR Rate plus 3% or (iv) 7%

**Prepayment:** The Lease Financing may be prepaid in whole or in part at any time and from time to time with the following restrictions/premiums:

Year 1: No prepayment  
Year 2: No prepayment  
Year 3: 3% premium  
Year 4: 3% premium  
Year 5: 2% premium

Prepayments may be made following the 5<sup>th</sup> anniversary with no premium.