



CITY of BRISBANE

Joint City Council & Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Meeting

Thursday, June 1, 2023 at 7:30 PM • Hybrid Meeting 50 Park Place, Brisbane, CA

The public may observe/participate in City Council meetings using remote public comment options or attending in person. Members of the City Council shall attend in person unless remote participation is permitted by law. The City Council may take action on any item listed in the agenda.

TO ADDRESS THE COUNCIL

IN PERSON

Location: 50 Park Place, Brisbane, CA 94005, Community Meeting Room

Masking is not required, but the California Department of Public Health recommends people at higher risk for severe illness consider masking. Similarly, to help maintain public health and safety, we respectfully request that people not attend public meetings in-person if they are experiencing symptoms associated with COVID-19 or are otherwise ill and likely contagious (e.g., respiratory illnesses).

To address the City Council on any item – whether on the posted agenda or not – please fill out a Request to Speak Form located in the Community Meeting Room Lobby and submit it to the City Clerk. Speakers are not required to submit their name or address.

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SPECIAL ASSISTANCE

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WRITINGS THAT ARE RECEIVED AFTER THE AGENDA HAS BEEN POSTED

Any writings that are received after the agenda has been posted but before 4pm of the day of the meeting will be available for public inspection at the front lobby in City Hall and on the internet (brisbaneca.org/meetings). Any writings that are received after 4pm of the day of the meeting will be available on the internet at the start of the meeting (brisbaneca.org/meetings), at which time the materials will be distributed to the Council.

7:30 P.M. CALL TO ORDER – PLEDGE OF ALLEGIANCE

ROLL CALL

- A. Consider any request of a City Councilmember to attend the meeting remotely under the “Emergency Circumstances” of AB 2449

ADOPTION OF AGENDA

ORAL COMMUNICATIONS NO. 1

AWARDS AND PRESENTATIONS

- B. Proclamation June as Pride Month

CONSENT CALENDAR

- C. Approve Minutes of City Council Meeting of May 18, 2023
- D. Approve Minutes of City Council Closed Session Meeting of May 18, 2023
- E. Adopt an Ordinance, Waiving Second Reading, to Amend Section 10.24.050 of Chapter 10.24 of the Brisbane Municipal Code pertaining to “Stopping, Standing and Parking.”

(The purpose of this item is to modify a section of the city’s municipal code that is inconsistent with state law.)

- F. Introduce an Ordinance, Waiving First Reading, to amend the electric vehicle (EV) Charging Infrastructure Requirements for New Multifamily Residential Development Within the City of Brisbane to Align with the State’s New Minimum Requirements

and finding that this Ordinance is Categorically Exempt From Environmental Review Under CEQA Guidelines Section 15308, Actions By Regulatory Agencies for Protection of the Environment

- G. Adopt a Resolution Authorizing the City's Participation in the Age-Friendly Communities' Network

- H. Authorize Staff to Publish the Public Art Master Plan Request for Proposals (RFP) as Recommended by the Public Art Advisory Committee

(The RFP denotes not to exceed amount of \$75,000 for a Master Planning consultant and the Public Art Advisory Committee is also recommending a 20% contingency (or \$15,000) to draw from as needed to support master planning efforts.)

- I. Authorize Selecting a Land Management and Permitting System Vendor

(The purpose of this item is to Authorize the City Manager to select a land management and permitting system vendor, negotiate a contract for system implementation, and execute a contract with the chosen vendor. The submitted vendor proposals include a range of pricing estimates, with initial one-time implementation costs ranging from \$100,000-\$650,000 and ongoing costs ranging from \$40,000-\$140,000 annually.)

- J. Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024

- i. Adopt a Resolution, "Appointing Attorney for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."
- ii. Adopt a Resolution, "Appointing Engineer for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."
- iii. Adopt a Resolution, "A Resolution of Preliminary Approval of Engineer's Report - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"
- iv. Adopt a Resolution, "A Resolution of Intention to order the levy and collection of assessments pursuant to the Landscaping and Lighting Act of 1972 - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"

PUBLIC HEARING

- K. Park Development Impact Fees [PUBLIC HEARING AS TO THIS ITEM CANCELLED]

- i. Consider Adoption of a Resolution Adopting and approving the NBS Government Finance Group's Nexus Study
- ii. Consider Introduction of an ordinance establishing fees
- iii. Consider Adoption of a resolution establishing the fees.

(At the request of staff, this item has been removed from the agenda and the public hearing items cancelled.)

- L. Consider Adoption of a Resolution of the Board of Directors of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Authorizing the Issuance and Sale of its Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023

(Council will consider whether to approve financing of the costs of tenant improvements and related equipment and furnishings to the building at 25 Park Place leased by the City by means of the issuance of revenue bonds (the “Bonds”) by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the “Authority”) in an aggregate amount not to exceed \$5,500,000, payable from the City’s general fund.)

NEW BUSINESS

- M. Consider Approval of Construction Contract for Brisbane Administrative Offices

(Assuming that Agenda Item L has been adopted, it is being recommended to award the Brisbane Administrative Offices construction contract (Project No. 922A) to Argo Construction, Inc. in the amount of \$3,174,000 and authorize the mayor to sign the Agreement on behalf of the City.)

- N. Consider Approval of Construction Management Services for 25 Park Remodel

(Assuming that Agenda Items L and M have been adopted/approved, it is being recommended that the Mayor be authorized to sign a Task Order in the amount of \$314,104.40 to JMW Consulting Engineers, and to also sign a Professional Services Agreement if deemed necessary by the City Attorney.)

- O. Consider Approval of Request for Proposals for Executive Recruitment Services

STAFF REPORTS

- P. City Manager’s Report on Upcoming Activities

MAYOR/COUNCIL MATTERS

- Q. Countywide Assignments and Subcommittee Reports
 - Public Art Advisory Committee 6/26 4:30pm Cunningham, Davis

- R. Written Communications

ORAL COMMUNICATIONS NO. 2

ADJOURNMENT

C.

File Attachments for Item:

C. Approve Minutes of City Council Meeting of May 18, 2023



BRISBANE CITY COUNCIL**ACTION MINUTES**

**CITY COUNCIL MEETING
THURSDAY, MAY 4, 2023**

HYBRID MEETING, 50 PARK PLACE, BRISBANE, CA 94005

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Davis called the meeting to order at 7:37 P.M. and led the Pledge of Allegiance.

ROLL CALL

Councilmembers present: Councilmembers Cunningham, Lentz, Mackin, O'Connell and Mayor Davis

Councilmembers absent: None

Staff Present: City Manager Holstine, City Clerk Padilla, City Attorney McMorrow, Finance Director Yuen, City Engineer Breault, Community Development Director Cheung, Senior Planner Ayres, Senior Planner Johnson, Parks and Recreation Director Leek, Police Commander Garcia and Administrative Analyst Ibarra

Consider any request of a City Councilmember to attend the meeting remotely under the "Emergency Circumstances" of AB 2449

No Councilmembers made any requests at this meeting.

REPORT OUT FROM CLOSED SESSION

City Attorney McMorrow reported that updates were provided to Council and direction was given to staff pertaining to the liability claim, the employee performance evaluation and the pending litigation item.

ADOPTION OF AGENDA

Staff made a request to remove Consent Calendar Item I from the agenda. Councilmember Lentz made a motion, seconded by Councilmember O'Connell, to adopt the agenda as amended. The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, O'Connell and Mayor Davis

Noes: None

Absent: None

Abstain: None

ORAL COMMUNICATIONS NO. 1

No member of the public wished to make public comment.

AWARDS AND PRESENTATIONS

B. Proclaiming May as Mental Health Month

Mayor Davis recognized May 2023 as Mental Health Month to enhance public awareness of mental health to help end the stigma and direct members of the community to resources and support for mental health and substance use conditions. San Mateo County Behavioral Health Commissioner Leticia Bidó accepted the proclamation and thanked the Council for the recognition.

C. Proclaiming May 21-27 as National Public Works Week

Mayor Davis designated the week May 21–27, 2023 as National Public Works Week and urged all citizens to pay tribute to our public works professionals, engineers, managers, and employees and to recognize the substantial contributions they make to protecting our health, safety, and quality of life. City Engineer Randy Breault accepted the Proclamation on behalf of the department.

D. Proclaiming May 21-27 as National Emergency Medical Service Week

Mayor Davis proclaimed the week of May 21 - 27, 2023, as Emergency Medical Services Week and encouraged the community to observe this week with appropriate programs, ceremonies, and activities. Battalion Chief Matt Powers from North County Fire accepted the proclamation and thanked the Council for the recognition.

CONSENT CALENDAR

E. Approve Minutes of City Council Meeting of April 20, 2023

F. Approve Minutes of City Council Closed Session Meeting of May 4, 2023

G. Approve Minutes of City Council Meeting of May 4, 2023

H. Approve Receive Recology Brisbane's 2023 Rate Increase of 4.64%

~~I. Authorize Staff to Publish the Public Art Master Plan Request for Proposals (RFP) as Recommended by the Public Art Advisory Committee~~

~~(The RFP denotes not to exceed amount of \$75,000 for a Master Planning consultant and the Public Art Advisory Committee is also recommending a 20% contingency (or \$15,000) to draw from as needed to support master planning efforts.)~~

J. Introduce an Ordinance, Waiving First Reading, to Amend Section 10.24.050 of Chapter 10.24 of the Brisbane Municipal Code pertaining to "Stopping, Standing and Parking."

(The purpose of this item is to modify a section of the city's municipal code that is inconsistent with state law.)

Councilmember O'Connell made a motion, seconded by Councilmember Cunningham to approve Consent Calendar Items E-G, and J. The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, O'Connell and Mayor Davis

Noes: None

Absent: None

Abstain: None

Mayor Davis recused herself from Consent Calendar Item H and stepped out of the room. Councilmember Cunningham made a motion, seconded by Councilmember Mackin, to approve Consent Calendar Item H. The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, and O'Connell

Noes: None

Absent: None

Abstain: Mayor Davis

PUBLIC HEARING

K. Consider Adoption of a Resolution to Approve Amendment of the 2023-2031 Housing Element and Finding This Action Categorically Exempt from Environmental Review Under CEQA under CEQA Guidelines Sections 15061(b)(3)

(The purpose of this item is to adopt an amendment to the 2023-2031 Housing Element of the General Plan that complies with State law.)

Staff reported that they worked directly with the State Department of Housing and Community Development (HCD) staff to draft revisions to the adopted Element that address HCD's April 5, 2023 comment letter.

These revisions are either informational in nature or represent minor revisions to the adopted Element's housing policies. No new sites are identified in the housing opportunity sites inventory and no new land use changes are proposed in the City's Housing Action Plan.

After the brief staff report and some Council questions, Mayor Davis opened the public hearing. Ali Sapirman from the Housing Action Coalition, commented that she is glad to see the timeline in the report.

Councilmember O'Connell made a motion, seconded by Councilmember Cunningham to close the public hearing. The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, O'Connell and Mayor Davis

Noes: None

Absent: None

Abstain: None

Council thanked staff for all their hard work and completing a difficult task. Councilmember O’Connell made a motion, seconded by Councilmember Lentz, to adopt a Resolution to approve amendment of the 2023-2031 housing Element and finding this action categorically exempt from environmental review under CEQA under CEQA Guidelines Sections 15061(b)(3). The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, O’Connell and Mayor Davis

Noes: None

Absent: None

Abstain: None

OLD BUSINESS

L. Sierra Point Open Space & Parks Planning and Marina and Sierra Point Sea Level Rise Resiliency **i. Receive overview from One Shoreline, San Mateo County’s Flood & Sea Level Resiliency District**

Len Materman, Chief Executive Officer of One Shoreline--San Mateo County Flood and Sea Level Rise Resiliency District, provided an overview and answered Council’s questions about San Mateo County’s Flood and Sea Level Resiliency efforts.

ii. Marina and Sierra Point Utilities Response to Sea Level Rise

City Engineer Breault provided an update on major issues at Sierra Point: access to the area from Sierra Point Parkway, and needed response to sea level rise to preserve city infrastructure. City Engineer Breault answered Council questions and no members of the public wished to make public comment.

iii. Sierra Point Open Space & Parks Master Plan Next Steps

Parks and Recreation Director Leek asked for direction on next steps particularly whether the Council would like to revisit public engagement conducted during the first two phases of the project and broaden public engagement beyond the scope that was outlined in the City’s RFP and consultant’s proposal.

After council questions and no public comment, Council discussed having a stakeholder meeting in the community meeting room. City Manager Holstine will discuss details about the stakeholders meeting at the subcommittee level.

Lee Panza commented that Council should start with a meeting with the Marina stakeholders, the boaters, and the entire Marina community.

M. Discuss Measure K Funding Requests to Supervisor Canepa and Provide Direction to the City Manager as to the Prioritization of Said Projects

Council directed staff to request Measure K Funding from Supervisor Canepa to replace the community pool’s boiler with electric heat pump water heaters.

STAFF REPORTS

N. City Manager’s Report on Upcoming Activities

City Manager Holstine invited Council and the public to attend the Asian American Pacific Islander Heritage Month Celebration.

MAYOR/COUNCIL MATTERS

O. Countywide Assignments and Subcommittee Reports

- **Public Art Advisory Committee (5/1) Cunningham, Davis**
- **Sierra Point Parkway Design Guidelines Subcommittee (5/3) Lentz, O'Connell**

Due to the late hour, no reports were made.

P. Written Correspondence

City Clerk Padilla reported that Council received correspondence from the following:

Roland Lebrun (5/9/23) Revised NOP of an EIR for the Brisbane Baylands Specific Plan
Alison Sapirman, Housing Action Coalition, (5/16/23) Housing Element Comment Letter
Department of Housing and Community Development (5/18/23) Cit of Brisbane's 6th Cycle (2023-2031)
Revised Draft Housing Element

ORAL COMMUNICATIONS NO. 2

No members of the public wished to make public comment.

ADJOURNMENT

Mayor Davis adjourned the meeting at 10:30 P.M.

Ingrid Padilla
City Clerk

D.

File Attachments for Item:

D. Approve Minutes of City Council Closed Session Meeting of May 18, 2023



BRISBANE CITY COUNCIL

ACTION MINUTES

BRISBANE CITY COUNCIL CLOSED SESSION MEETING

THURSDAY, MAY 18, 2023

*HYBRID MEETING, 50 PARK PLACE LARGE CONFERENCE ROOM,
BRISBANE, CA*

6:30 P.M. CLOSED SESSION

A. Approval of the Closed Session Agenda

B. Public Comment. Members of the public may address the Councilmembers on any item on the closed session agenda

C. Adjournment into Closed Session

D. Liability Claim: Claimant O'Boyle, pursuant to Government Code, section 54956.95

E. Conference with Legal Counsel—Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subsection (d) of Section 54956.9.

Number of cases: 1

F. Employee Performance Evaluation under Government Code, Section 54957 (b)(1) Title: City Manager

G. Conference With Legal Counsel—Pending Litigation

Government Code, Section 54956.9 (d) (1). Number of Cases: One

- **City of Brisbane v. CA High-Speed Rail Authority (Superior Court of Sacramento County, Case No. 80004010)**

Mayor Davis called the meeting to order at 6:32 P.M. Councilmember Cunningham made a motion, seconded by Councilmember O'Connell, to adopt the agenda as it stands. The motion passed unanimously by all present.

Ayes: Councilmembers Cunningham, Lentz, Mackin, O'Connell and Mayor Davis

Noes: None

Absent: None

Abstain: None

Roland Lebrun made public comment about his wishes for the High Speed Rail project.

REPORT OUT OF CLOSED SESSION

City Attorney McMorro reported that updates were provided to Council and direction was given to staff pertaining to the liability claim, the employee performance evaluation and the pending litigation item.

ADJOURNMENT

The meeting was adjourned at 7:30 P.M.

Ingrid Padilla, City Clerk

DRAFT

File Attachments for Item:

E. Adopt an Ordinance, Waiving Second Reading, to Amend Section 10.24.050 of Chapter 10.24 of the Brisbane Municipal Code pertaining to “Stopping, Standing and Parking.”

(The purpose of this item is to modify a section of the city’s municipal code that is inconsistent with state law.)



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023
From: Director of Public Works/City Engineer
Subject: Municipal Code Change to Chapter 10.24 – Stopping, Standing and Parking

Recommendation

Adopt an Ordinance, waiving second reading, amending Section 10.24.050 of Chapter 10.24 of the Brisbane Municipal Code pertaining to “Stopping, Standing and Parking.”

Adoption of this Ordinance is not subject to further environmental review because it is not a project under the California Environmental Quality Act (CEQA). CEQA Guidelines, section 15378 (b) (2).

Background

This ordinance was introduced at the regular City Council meeting held on May 18, 2023, and was passed unanimously with no requested changes.

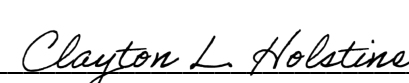
Environmental Review

Adoption of this Ordinance is not a project under CEQA because it is a continuing administrative activity, such as general policy and procedure making, and not applied to any specific instance. CEQA Guidelines, Section 15378 (b)(5). Accordingly, no further environmental review is necessary.

Attachments

1. May 18, 2023 staff report


Randy Breault, Public Works Director


Clay Holstine, City Manager



CITY COUNCIL AGENDA REPORT

Meeting Date: May 18, 2023
From: Director of Public Works/City Engineer
Subject: Municipal Code Change to Chapter 10.24 – Stopping, Standing and Parking

Community Goal/Result:

Safe Community

Purpose

To modify a section of the city's municipal code that is inconsistent with state law.

Recommendation

Introduce an Ordinance, waiving first reading, amending Section 10.24.050 of Chapter 10.24 of the Brisbane Municipal Code pertaining to "Stopping, Standing and Parking."

Introduction and adoption of this Ordinance is not subject to further environmental review because it is not a project under the California Environmental Quality Act (CEQA). CEQA Guidelines, section 15378 (b) (2).

Background

Section 10.08.120 "Removal of parked and abandoned vehicles" of the city's municipal code allows for removal of a vehicle from streets and public property, "When a vehicle is parked or left standing upon any public street, highway, right-of-way or public grounds for seventy-two (72) or more consecutive hours."

California Vehicle Code section 22651 k similarly provides removal authority, "If a vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal."

In conflict with both of these laws is Brisbane Municipal Code §10.24.050 "Use of streets for storage of vehicles prohibited", which specifies an allowed maximum time period of 120 hours (5 days) for parking a vehicle on a street or alley.

Discussion

Approval of the recommended action will change the maximum time period for parking on a street or alley to 72 hours and will remove the current inconsistency.

Environmental Review

Introduction and adoption of this Ordinance is not a project under CEQA because it is a continuing administrative activity, such as general policy and procedure making, and not applied to any specific instance. CEQA Guidelines, Section 15378 (b)(5). Accordingly, no further environmental review is necessary.

Fiscal Impact

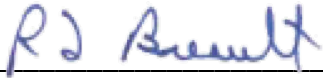
None as a result of the recommended action.

Measure of Success

Consistency throughout the city's municipal code and with the state vehicle code.

Attachments

1. Proposed Ordinance



Randy Breault, Public Works Director

Clay Holstine, City Manager

ORDINANCE NO. - - -

**AN ORDINANCE OF THE CITY OF BRISBANE
REVISING CHAPTER 10.24 OF THE BRISBANE MUNICIPAL CODE
CONCERNING STOPPING STANDING AND PARKING**

The City Council of the City of Brisbane hereby ordains as follows:

Section 1: Section 10.24.050 of the Brisbane Municipal Code is revised to read as follows:

“10.24.050 – Use of streets for storage of vehicles prohibited.

No person who owns or has possession, custody or control of any vehicle shall park such vehicle upon any street or alley for more than a consecutive period of seventy-two (72) hours.”

Section 2: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Brisbane hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

Section 3: This Ordinance shall be in full force and effect thirty days after its passage and adoption.

* * * *

The above and foregoing Ordinance was regularly introduced and after the waiting time required by law, was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane held on the _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Madison Davis, Mayor

ATTEST:

Ingrid Padilla, City Clerk

APPROVED AS TO FORM:

Thomas R. McMorrow, City Attorney

File Attachments for Item:

F. Introduce an Ordinance, Waiving First Reading, to amend the electric vehicle (EV) Charging Infrastructure Requirements for New Multifamily Residential Development Within the City of Brisbane to Align with the State's New Minimum Requirements and finding that this Ordinance is Categorically Exempt From Environmental Review Under CEQA Guidelines Section 15308, Actions By Regulatory Agencies for Protection of the Environment



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: John Swiecki, Community Development Director

Subject: Introduction of a draft ordinance to amend Section 15.84.070 of the City of Brisbane Electric Vehicle Infrastructure Ordinance and finding that this Ordinance categorically exempt from environmental review under CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

COMMUNITY GOAL/RESULT

Ecological Sustainability - Brisbane will be a leader in setting policies and practicing service delivery innovations that promote ecological sustainability.

PURPOSE

To amend the electric vehicle (EV) charging infrastructure requirements for new multifamily residential development within the City of Brisbane to align with the State's new minimum requirements for EV charging infrastructure adopted under the 2022 version of the California Building Standards Codes (Code of Regulations, Title 24 or CBC).

RECOMMENDATION

Introduce the attached draft ordinance.

BACKGROUND

In 2019, the City adopted Ordinance No. 643 (Electric Vehicle Infrastructure Ordinance (EVIO)) which, among other actions, established EV infrastructure requirements for new residential and non-residential development. The EVIO exceeded the minimum requirements set by the State at the time. In 2022, the City readopted the 2019 EVIO without any substantive changes, as required by State law, when the City adopted the latest CBC. At the time, staff determined the EVIO remained more stringent than the new EV infrastructure requirements contained within the 2022 CBC as well as the new EV reach codes proposed by the Bay Area Reach Codes Coalition.

Subsequent review found that the 2022 CBC established specific criteria to equip a minimum of five percent of the total number of parking spaces with EV supply equipment (EVSE), or EV chargers, rather simply providing EV ready or capable circuitry in new residential buildings of 20 or more units. As currently adopted, the EVIO only requires EVSE for a portion of just the guest parking spaces in new multifamily residential development.

DISCUSSION

The proposed amendment is intended to provide additional charging infrastructure, specifically EVSE, in new residential development to better accommodate projected future demand and meet minimum State requirements. The proposed ordinance would amend Brisbane Municipal Code (BMC) §15.84.070 – Residential Requirements of the EVIO (Section 1 of the draft ordinance) to require a minimum of five percent of the required parking spaces for all dwelling units to be equipped with Level 2 EVSE, in addition to the current requirements for Level 2 EV Ready Circuit Parking Spaces and EV charging station (EVCS) guest parking spaces. The amendment would also

clarify that the calculation for the required minimum number of EVSE spaces shall be rounded up to the nearest whole number, as already stipulated for nonresidential development. A summary table of the differences between current State law and the proposed amendment, specific to residential development, is provided below. There are no changes to any other section of the EVIO.

# of Multifamily Dwellings:	Less than 20 units	More than 20 units
State Law:	10% of total parking spaces must be Level 2 EV capable	10% of total parking spaces must be Level 2 EV capable
	25% of total parking spaces must be Level 2 EV ready ²	25% of total parking spaces must be Level 2 EV ready ²
		5% of total parking spaces must have Level 2 EV charger
	Same provisions regardless the number of dwelling units ¹	
BMC §15.84.070 Amendment:	1 Level 2 EV ready ² parking space per unit	
	5% of require parking spaces for all dwelling units must have Level 2 EV charger	
	50% of required guest parking spaces must have Level 2 EV charger	

¹ Duplexes and townhouses excluded from multifamily dwelling

² EV capable means the parking space would support Level 2 EV charger installation in the future

³ EV ready means the parking space is equipped with a low power Level 2 EV charging receptacle

FISCAL IMPACT

None.

MEASURE OF SUCCESS

Application of updated standards to meet minimum requirements of State law and implementation of measures to help meet the goals of the City's Climate Action Plan.

ATTACHMENTS

1. "Redline" copy of the update to BMC §15.84.070
2. Draft Ordinance


 John Swiecki, Community Development Director


 Clayton L. Holstine, City Manager

15.84.070 – Residential Requirements

New residential construction shall comply with the following ~~provisions~~:

A. New single-family residences, duplexes and townhouses.

1. ~~EV~~Electric Vehicle (EV) Standards:

- a. For each dwelling unit, where two (2) or more parking spaces are required, at least one Level 2 EV Ready Circuit and one Level 1 EV Ready Circuit is to be installed.
- b. Where only one parking space is required per dwelling unit, as provided in ~~per~~ Chapter 17.34, only one Level 2 EV Ready Circuit shall be required to be installed.

2. Exceptions: The following exceptions apply, subject to building official approval:

- a. A reduction in the EV standards may be allowed, if requested in writing by the applicant based on demonstration that the provisions of this section would render the development project infeasible due to associated utility costs. Documentation is to take into account short term and long term cost analysis to the satisfaction of the building official.

B. New multifamily dwellings. The following ~~shall provisions~~ apply to multifamily developments whether parking spaces are assigned or unassigned to individual units:

1. EV Standards:

- a. A minimum of one (1) Level 2 EV Ready Circuit Parking Space per unit shall be provided; and
- b. A minimum of five percent (5%) of the required parking spaces for all dwelling units shall be equipped with Level 2 EVSE; and
- ~~b-c.~~ A minimum of fifty percent (50%) of required guest parking spaces shall be ~~electric vehicle charging station (EVCS)~~ parking spaces.

2. Rounding. Calculations for the required minimum number of spaces equipped with Level 2 EVSE and EVCS parking spaces shall all be rounded up to the nearest whole number.

~~2-3.~~ Exceptions: The following exceptions apply, subject to building official approval:

- a. Where less than one parking space per unit is required as provided in ~~per~~ Chapter 17.34, the ~~provision of~~ Level 2 EV Ready Circuit parking space requirements shall apply only to the parking required as provided in ~~per~~ Chapter 17.34. This ~~section-subparagraph~~ does not alter the required minimum number of parking spaces as provided in Chapter 17.34.
- b. When more than twenty (20) multifamily dwelling units are constructed ~~on a building site~~, load balancing systems may be installed. In such cases, the panel capacity must average a minimum of sixteen (16) amperes per EV space. Load balancing systems may be installed to increase the number of EV chargers or the amperage or voltage beyond the minimum required.
- c. A reduction in the EV standards may be allowed, if requested in writing by the applicant based on demonstration that the provisions of ~~this section~~ subsection B would render the development project infeasible due to associated utility costs. However, the maximum feasible amount of EV infrastructure shall be provided. Documentation is to take into account short term and long term cost analysis to the satisfaction of the building official.

**Draft
ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY OF BRISBANE
TO AMEND SECTION 15.84.070, BRISBANE MUNICIPAL CODE CONCERNING
ELECTRIC VEHICLE INFRASTRUCTURE**

The City Council of the City of Brisbane hereby ordains as follows:

WHEREAS, The Brisbane City Council finds and determines that:

- A. The actions contained in this ordinance comply with the California Environmental Quality Act (CEQA), being categorically exempt per CEQA Section 15308, Actions by Regulatory Agencies for Protection of the Environment.
- B. The 2022 Edition of the California Building Code (CBC) became effective state-wide on January 1, 2023 and Section 4.106.4.2.2 of the California Green Building Standards Code requires five (5) percent of the total number of parking spaces in certain multifamily development projects, hotels, and motels be equipped with Level 2 Electric Vehicle Supply Equipment (EVSE) chargers.
- C. The City adopted a Climate Action Plan on September 17, 2015, which includes the goal of reducing carbon emissions from fossil fuels to help curb global warming. Methods include substituting renewable energy for fossil fuel energy sources to reduce fossil fuel emissions from transportation.
- D. In 2022, Brisbane readopted its energy and greenhouse gas (GHG) emissions reach code, which included electric vehicle (EV) charger and EV parking regulations for new development projects, known as the City of Brisbane Electric Vehicle Infrastructure Ordinance, and the following is noted:
 - 1. Use of fossil fuel vehicles is a primary contributor to transportation emissions and availability of EV charging infrastructure is a critical component to EV adoption over the continued use of fossil fuel reliant vehicles. Additionally, provision of EV charging infrastructure is most cost effective as part of new development projects versus existing building/site retrofit projects.
 - 2. The provisions within Brisbane's EV Infrastructure Ordinance, as amended below, exceed the EV infrastructure provisions required by the 2022 California Building Standards Code as well as the latest EV infrastructure reach codes proposed by the Bay Area Reach Codes Coalition.
 - 3. By reason of express findings F.1, F.2, and F.3 noted below, it is necessary to amend Brisbane's 2022 Electric Vehicle Infrastructure Ordinance.
- E. California Health and Safety Code Sections 17922, 17958, 17958.5, 17958.7, and 18941.5 authorize the City to make local amendments to the provisions in the CBC upon express findings that the local amendments are reasonably necessary due to local climatic, geological, topographical, and/or environmental conditions.
- F. By reason of the following climatic and environmental conditions, it is necessary to adopt certain local amendments to the CBC in order to provide a high level of health and life safety for all persons who live and work within the City of Brisbane and to adequately protect both public and private property within the City:

1. The local amendments are justified on the basis of local climatic conditions in Brisbane. Failure to address and significantly reduce GHG emissions could result in rises in sea level, including in San Francisco Bay, that could put at risk City homes and businesses, public facilities, and Highway 101 (Bayshore Freeway), particularly the mapped Flood Hazard areas of the City. EV charging infrastructure is a key component in reducing GHG emissions.
2. EV charging installations can help the City of Brisbane reduce its share of the GHG emissions that contribute to climate change and contribute to the reduction of GHG emissions by supporting the demand for EVs and the associated charging infrastructure. Furthermore, electricity will become cleaner over time as utilities achieve more stringent Renewable Portfolio Standard requirements and translate the clean energy benefits to electric vehicles.
3. The local amendments improve the public health and welfare by promoting the environmental and economic health of the City by incorporating green practices into all development. The local amendments are consistent with the goals of the Green Building Code and help achieve the following goals:
 - Promote the health and productivity of residents, workers, and visitors to the city; and
 - Increase electric vehicle charging infrastructure to encourage electric vehicle adoption which in turn reduces greenhouse gas emissions and improves air quality.

NOW, THEREFORE, THE BRISBANE CITY COUNCIL ORDAINS AS FOLLOWS:

SECTION 1: Section 15.84.070 of the Brisbane Municipal Code is amended to read as follows:

New residential construction shall comply with the following:

A. New single-family residences, duplexes and townhouses.

1. Electric Vehicle (EV) Standards:
 - a. For each dwelling unit, where two (2) or more parking spaces are required, at least one Level 2 EV Ready Circuit and one Level 1 EV Ready Circuit is to be installed.
 - b. Where only one parking space is required per dwelling unit as provided in Chapter 17.34, only one Level 2 EV Ready Circuit shall be required to be installed.
2. Exceptions: The following exceptions apply, subject to building official approval:
 - a. A reduction in the EV standards may be allowed, if requested in writing by the applicant based on demonstration that the provisions of this section would render the development project infeasible due to associated utility costs. Documentation is to take into account short term and long term cost analysis to the satisfaction of the building official.

B. New multifamily dwellings. The following shall apply to multifamily developments whether parking spaces are assigned or unassigned to individual units:

1. EV Standards:
 - a. A minimum of one (1) Level 2 EV Ready Circuit Parking Space per unit shall be provided; and
 - b. A minimum of five percent (5%) of the required parking spaces for all dwelling units shall be equipped with Level 2 EVSE; and
 - c. A minimum of fifty percent (50%) of required guest parking spaces shall be EVCS parking spaces.

2. Rounding. Calculations for the required minimum number of spaces equipped with Level 2 EVSE and EVCS parking spaces shall all be rounded up to the nearest whole number.
3. Exceptions: The following exceptions apply, subject to building official approval:
 - a. Where less than one parking space per unit is required as provided in Chapter 17.34, the Level 2 EV Ready Circuit parking space requirements shall apply only to the parking required as provided in Chapter 17.34. This subparagraph does not alter the required minimum number of parking spaces as provided in Chapter 17.34.
 - b. When more than twenty (20) multifamily dwelling units are constructed, load balancing systems may be installed. In such cases, the panel capacity must average a minimum of sixteen (16) amperes per EV space. Load balancing systems may be installed to increase the number of EV chargers or the amperage or voltage beyond the minimum required.
 - c. A reduction in the EV standards may be allowed, if requested in writing by the applicant based on demonstration that the provisions of subsection B would render the development project infeasible due to associated utility costs. However, the maximum feasible amount of EV infrastructure shall be provided. Documentation is to take into account short term and long term cost analysis to the satisfaction of the building official.

SECTION 2: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Brisbane hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases may be held invalid or unconstitutional.

SECTION 3: The City Council finds and determines that the adoption of this Ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

SECTION 4: This Ordinance shall be in full force and effect thirty days after its passage and adoption.

* * *

The above and foregoing Ordinance was regularly introduced and, after the waiting time required by law, was thereafter passed and adopted at a regular meeting of the City Council of the City of Brisbane held on the _____ day of _____ 2023, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

File Attachments for Item:

G. Adopt a Resolution Authorizing the City's Participation in the Age-Friendly Communities' Network



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: Noreen Leek, Parks & Recreation Director

Subject: Age-Friendly City Resolution

Community Goal/Result

Community Building

Purpose

To ensure vibrant, sustainable, supportive, and inclusive communities for all generations.

Recommendation

Adopt a resolution authorizing the City's participation in the Age-Friendly communities' network.

Background

The global network of Age-Friendly Cities offers opportunities to address the aging population in a positive and inclusive way. The program provides resources to help communities support individuals to live comfortably in their homes and communities and encourages older residents to take an active role in having their voices heard. To be designated as an "Age-Friendly City" through the World Health Organization, Brisbane must demonstrate that it is committed to providing places for older adults to be engaged, as well as social opportunities and services that ensure older adults can thrive and be an active part of their community.

Discussion

At the February 2, 2023 Council meeting, the City Council authorized staff to proceed with the Center for Age-Friendly Excellence's (CAFÉ) assistance and to apply for the Age-Friendly Communities (AFC) certification under the AARP/WHO Network of Age-Friendly Communities. Adoption of the attached resolution is a requirement of the application process in order for the City to receive the Age-Friendly designation.

Attachment

1. Age-Friendly City Resolution

Noreen Leek, Parks & Recreation Director

Clay Holstine, City Manager

RESOLUTION NO. _____**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE AUTHORIZING THE CITY'S PARTICIPATION IN THE AGE-FRIENDLY COMMUNITIES NETWORK**

WHEREAS, by 2030, 25 percent of the county's population will be 65 years or older; and

WHEREAS, in 2005, the World Health Organization (WHO) developed the concept of Global Age-Friendly Cities to help cities implement policies and services to help older adults live healthy and vibrant lives as they age; and

WHEREAS, on July 10, 2018, the San Mateo County Board of Supervisors authorized the County to join the WHO's Age-Friendly Global Network, established the San Mateo County Age-Friendly Initiative, and authorized and selected the Center for Age-Friendly Excellence (CAFÉ) at the Los Altos Community Foundation to assist with this effort; and

WHEREAS, the process to be designated as an Age-Friendly Certified City or Community was approved at the February 2, 2023 City Council meeting. This process includes identifying a task force with various stakeholders to oversee the process; conducting a series of focus groups to assess the baseline "age-friendliness" of a city or community in various domains; reviewing focus group feedback and survey results; measuring progress of an action plan and its implementation; and completing the Age-Friendly application; and

WHEREAS, there are currently eleven Age-Friendly cities in San Mateo County and Brisbane's application to receive this designation will be submitted by mid-June; and

WHEREAS, the Board of Supervisors approved Measure K monies to fund CAFÉ to work with Brisbane and seven additional cities to become Age-Friendly cities, and Brisbane staff have supported this endeavor by working with the task force and assisting CAFÉ through the process.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brisbane authorizes the City's continued participation in the Age-Friendly Communities Network.

Madison Davis, Mayor

I, Ingrid Padilla, City Clerk of the City of Brisbane, certify that the foregoing Resolution was introduced at a regular meeting of the City Council on the 1st day of June, 2023, and was adopted thereafter by the following vote:

G.

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

Ingrid Padilla, City Clerk

File Attachments for Item:

H. Authorize Staff to Publish the Public Art Master Plan Request for Proposals (RFP) as Recommended by the Public Art Advisory Committee

(The RFP denotes not to exceed amount of \$75,000 for a Master Planning consultant and the Public Art Advisory Committee is also recommending a 20% contingency (or \$15,000) to draw from as needed to support master planning efforts.)



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: Noreen Leek, Parks & Recreation Director

Subject: Public Art Master Plan RFP

Community Goal/Result

Community Building

Purpose

To increase citizens' appreciation of art, improve quality of life, and to enhance Brisbane's identity as a unique community within the greater Bay Area.

Recommendation

Authorize staff to publish the Public Art Master Plan RFP (*Attachment 1*) to prospective consultants as recommended by the Public Art Advisory Committee.

Background

As outlined in the City's Art in Public Places Ordinance, public art has the power to energize our public spaces, arouse our thinking, and transform the places where we live, work, and play into more welcoming and beautiful environments that invite interaction. By its presence alone, public art can heighten our awareness, question our assumptions, transform a landscape, or express community values, and for these reasons it can have the power, over time, to transform a city's image. Public art helps define a community's identity and reveal its unique character.

Discussion

At their May 1st, 2023 meeting, the Public Art Advisory Committee voted unanimously to recommend the Public Art Master Plan RFP to City Council. The Master Plan will provide long-term direction to the Public Art Advisory Committee and the City Council on the planning and processes necessary to further develop, administer and maintain a dynamic public art program in the City of Brisbane. The selected consultant will be responsible for developing policies and procedures, prioritizing City needs related to public art, and identifying types and locations of art throughout the City in order to establish a clear future for public art in the City of Brisbane. The Consultant will work collaboratively with the City's Public Art Advisory Committee and City Staff to ensure broad public outreach and involvement to curate a vision for Brisbane's public art.

The Master Plan for Public Art in Brisbane will include integration of art in both existing and to be built public spaces. Future opportunities for art are anticipated in areas such as the Crocker Trail, Sierra Point, and the Baylands.


Fiscal Impact

The RFP denotes a not to exceed amount of \$75,000 for a Master Planning consultant and the Public Art Advisory Committee is also recommending a 20% contingency (or \$15,000) to draw from as needed to support master planning efforts. An example of this would be the costs associated with facilitating community engagement events. This approach aligns with industry best practices. Funds to support this are available within the Public Art Fund (Fund 275).

Attachments

1. Public Art Master Plan RFP



Noreen Leek, Parks & Recreation Director

Clay Holstine, City Manager



Request for Proposals

PUBLIC ART

MASTER PLAN

Released June 5, 2023

Submittals due no later than Friday, July 14, 2023 @ 1:00pm

Late submittals will not be accepted.



The City of Brisbane, CA is seeking proposals from qualified individuals, firms, teams (hereinafter referred to as Consultant) with demonstrated experience in developing a public art master plan through a process of active public engagement. Consultants are invited to submit a proposal outlining their experience and qualifications in performing work directly related to the services required.

Selection will be made from responsive proposals that will best serve the interests of the City based on a combination of experience, qualifications, availability, and capacity to perform the scope of services.

Please submit your proposal using the format specified in this Request For Proposals (RFP). **PROPOSALS MUST BE RECEIVED BY FRIDAY JULY 14, NO LATER THAN 1:00PM.** Any proposal received after the specified time and date will not be considered. Proposals may be submitted one of the following ways:

Preferred:

1. Electronically via PDF to nleek@brisbaneca.org AND jbondoc@ci.brisbane.ca.us.

Note: An email will be sent to confirm receipt of the electronic proposal.

Accepted:

2. Mailed to:
ATTN: Noreen Leek
Parks & Recreation Director
City of Brisbane
50 Park Place
Brisbane, CA 94005

If mailed, it must be received by the City by no later than Friday, July 14th.

3. Dropped off in person at Brisbane City Hall, 50 Park Place, Brisbane, CA 94005 on July 14th before 1:00pm. *Note: A staff person will be onsite to receive hard-copy proposals during that time frame only.*

Questions regarding the information contained in the RFP document must be submitted in writing by e-mail to: nleek@brisbaneca.org. All questions must be received by **June 30, 2023**. Questions will be responded to in writing. Written summaries of all questions and answers will be recorded and may be shared with all prospective Consultants. Anonymity of the source of specific questions will be maintained in the responses and a clarification addendum will be issued, if necessary. Verbal inquiries are discouraged and the intent behind this requirement is to ensure that all prospective Consultants have the same information available to them and no inconsistent, incomplete, or misinformation is communicated to any party.

Noreen Leek
Parks & Recreation Director
(415) 508-2141
nleek@brisbaneca.org

Introduction

The City of Brisbane is seeking proposals from Consultants, Consultant Teams and Qualified Firms with demonstrated experience in public art master planning to develop the first Public Art Master Plan for the City of Brisbane, California. The Master Plan will provide long-term direction to the Public Art Advisory Committee and the City Council on the planning and processes necessary to further develop, administer, and maintain a dynamic public art program in the City of Brisbane. The selected Consultant will be responsible for developing policies and procedures, prioritizing City needs related to public art, and identifying types and locations of art throughout the City in order to establish a clear future for public art in the City of Brisbane. The Consultant will work collaboratively with the City's Public Art Advisory Committee and City staff to ensure broad public outreach and involvement to curate a vision for Brisbane's public art.

Background

The City of Brisbane is a small City in San Mateo County, approximately 20.1 square miles, nestled into the lower slopes of San Bruno Mountain. The City is located immediately south of San Francisco and is bordered to the east by the San Francisco Bay. The City of Brisbane was incorporated on November 27, 1961. Brisbane is known as "The City of Stars" due to a holiday tradition dating back to 1939. Residents and businesses adorn their homes and buildings with illuminated stars in early Winter delighting passersby.



The City of Brisbane adopted a Public Arts Ordinance (ENCLOSURE A) in 2014 to increase citizens' appreciation of art, to improve quality of life, and to enhance Brisbane's identity as a unique community within the greater Bay Area. Additionally, public art should stimulate creativity, imagination, induce creative conflict, and add a unique human quality to the environment and enrich public spaces. A city rich in art becomes an outdoor cultural museum accessible to everyone.

The Brisbane Public Art Advisory Committee is the City Committee responsible for ensuring all public art projects in the City of Brisbane meet the program criteria and guidelines for selection of an artist or artist team, artwork, and artwork location established in the Public Arts Implementation Guidelines (ENCLOSURE B).

The Brisbane Public Art Advisory Committee is a City committee composed of 2 Parks and Recreation Commissioners as designated by the Parks and Recreation Commission, 2 City Council Members (the Council's Parks and Recreation Commission Liaisons), and 3 Brisbane community members, appointed by City Council for two-year terms. The community members must include one individual professionally engaged in the art community, one individual that is an employee or owner of a Brisbane business, and the other may be either a resident of Brisbane or an owner/employee of a Brisbane business.

The Master Plan for Public Art in Brisbane will include integration of art in both existing and to be built public spaces. The City anticipates significant future growth and additional opportunities for art will be prevalent in areas such as the Crocker Trail, Sierra Point, and the Baylands. (See ENCLOSURE C, *Map of Brisbane boundary*.) Art should serve as a core element of Brisbane's identity and should be a fundamental part of the design and the planning process for all development.

Scope of Work

This is the first Public Art Master Plan for the City of Brisbane. The purpose of the Public Art Master Plan is to set a vision and develop a long-term plan that will provide clear direction for the future of public art in Brisbane. The plan should outline goals for public art in Brisbane, identify priorities for its art program, identify strategic partnerships and possible sources of alternative funding, and establish program processes. Additionally, the plan should address opportunities for ongoing public engagement, develop policies and procedures, and recommend processes necessary to achieve the vision for public art in the community.

The Consultant will be expected to take the lead on all community meetings, presentations, and outreach efforts. Staff will play a supporting role in facilitating those efforts and meetings. Staff will act as the liaison between the Consultant and the Public Art Advisory Committee.



Key elements of a Public Art Master Plan should include:

- Development of the mission, vision, goals, and guiding principles for the City’s Public Art Program;
- Clear goals and implementation strategies that include short and long-term priorities;
- Recommended public art guidelines, policies and processes;
- Summary of research, findings and community outreach results;
- Strategies for ongoing community engagement and outreach to a diverse group of stakeholders;
- Identification of sites for future temporary and permanent public art projects, including “iconic” and “gateway” art placement and spaces for participatory art;
- Opportunities for funding models for public art;
- Analysis and recommendations for a collection strategy, including recommendations for a collection maintenance, conservation, ownership, and deaccession plan.

The submitted proposal shall address the following areas of service:

Assessments and Recommendations

1. Identify standards for what is classified as public art. • Review current public art collection, inventory artworks and programs. • Recommend standards for future acquisitions/projects.
2. Identify criteria for selection of public art. • Highlight best practices. • Acknowledge government purchasing procedures.
3. Define processes and policies for public art, including but not limited to the following: • Art donations, temporary artworks, artist or community-initiated artwork, deaccession, ongoing maintenance, upkeep, relocation and removal policies and recommendations.

Public Participation Plan

1. Undertake a comprehensive community outreach program to fully engage residents, stakeholders and the community at-large in shaping and defining what Public Art is in Brisbane.
2. Undertake specific outreach to minority communities as well as low and moderate income residents to help identify specific opportunities for public art engagement that will be beneficial for those communities.

Development of Cohesive Plans

1. Identify and clarify key themes and values on which the community should focus its public art resources.

2. Provide recommendations for program development (such as urban/street art, public art pocket map, murals, banners, community art gallery, artists registry, performing art, music, digital media).
3. Create measurable steps for achieving public art goals in 1-5 years; forecast 15–20 year initiatives.
4. Outline plan to create an arts district, including but not limited to the following based on Consultant experience/expertise:
 - Recommended contiguous location(s).
 - Recommended space and operational characteristics for creative space needs (e.g. square footage, height requirements, ventilation, outdoor access, storage, live/work needs).
 - Recommended space and operational characteristics for community performance space.
 - Suggest financing options to initiate and support necessary creative space infrastructure.
5. List and map potential locations for future art; explore options for re-zone of areas in City to encourage long-term artist residency and community space opportunities.
6. Suggest a long-term approach and priorities for disbursement of the Public Art Fund.
7. Identify additional funding resources and staffing recommendations including establishing criteria for when a curator is necessary.
8. Suggest goals for marketing and audience development.
9. Indicate actions for promotion of cultural diversity, community and neighborhood inclusivity.
10. Summarize Master Plan goals and content in an accessible, consumer-friendly format.
11. Suggest priorities for proposed projects, with a projected timeline and financial strategy for implementation.
12. Analyze current and best-in-practice metrics, comparisons, redundancies, and context with surrounding cities, and establish a plan for tracking performance of metrics as relevant to the overall plan.
13. Produce an attractive and understandable final printed and digital report which includes the findings noted above.
14. Present at a minimum of one Public Art Advisory Committee meeting and one City Council meeting.



RFP Timeline

The anticipated schedule for selection of a Consultant for this project is as follows:

RFP Release Date	June 5, 2023
Question Submission Cutoff Deadline	June 30, 2023
Proposal Submission Deadline	July 14, 2023
Selection Committee review & interviews (if necessary)	August/September 2023
Tentative notification of bid awarded to Consultant	September 2023
City approval granted to proceed	October 5, 2023
Notice to proceed issued to Contractor	October 6, 2023

**Disclaimer: This timeline is subject to change and the City of Brisbane reserves the right to adjust as deemed necessary.*

Budget

Consultant shall provide a proposed budget itemized by task, as well as the total project cost proposed, and total project cost stated as a firm fixed fee not to exceed \$75,000. Labor and direct costs should be identified by task. Hourly rates for project staff shall also be provided. **Cost Proposal must be submitted separate from the rest of the RFP response.**

Submission Requirements

1. Each RFP response shall be submitted in compliance with the requirements outlined on Page 2.
2. The submittal shall be typed and shall not exceed twenty-five (25) pages of written material including the cover letter. Submittals failing to comply with the page limitation will not be considered.
3. Submittal must include examples of previous work.
4. To be responsive, each RFP submission must include the following information in the format indicated. The submittals shall be organized to match the following categories. Submittals not organized according to the following format may be rejected.

a. Cover Letter. Consultant identification including name, year firm established, address, city, state, zip code, telephone number and e-mail address of the firm's applicant(s). *Length: One (1) page maximum.*

b. Letter of Interest. Statement of interest detailing the firm's interest in the project and highlighting unique features it would bring to the project. *Length: One (1) page maximum.*

c. Statements of Qualifications. *Length: One (1) page maximum.*

- i. Provide statement of qualifications for each of the specific disciplines;
- ii. Include the firm's structure, background, and interest, detailing the firm's interest in the project and highlighting unique features it would bring to the project;
- iii. List of recent projects similar in scale, cost, and complexity and also note the year completed; include the name, address and phone number for client, contractor, or person that may serve as a reference;
- iv. Firm's current work load and backlog;
- v. Identify any recent or pending litigation.

d. Relevant Experience/Examples of Work. Provide descriptions of up to three (3) previous projects within the past 10 years that most closely relates to this request for services. *Length: Three (3) page maximum.*

- i. Include projects' scale, cost, and complexity and also note the year constructed; name, address and phone number for client, contractor, or person that may serve as a reference.

e. Professional Background. Provide a summary of the applicant's professional background, with a predominant focus on special professional and/or project experience. *Length: Two (2) pages maximum.*

f. List of Client References. Provide a list of clients to be used as references for your work. *Length: One (1) page maximum.*

- i. Must include the contact name, address, telephone number, nature of job, length of engagement, and resulting project.

g. Sealed Fee Proposal. The Fee Proposal shall be submitted in a separate sealed envelope or PDF document marked "Public Art Master Plan Fee Proposal".

Selection/Interview Process

Pursuant Sections 4525-4529 of the Government Code of the State of California, the Consultant selection will be based on qualifications. The City's Public Art Advisory Committee will review the proposals received by the deadline and develop a short-list of qualified firms. Depending on the relative quality of the proposals, the City may invite short-listed firms to formal interviews. The City of Brisbane reserves the right to refuse any or all proposal(s), to waive technicalities, and to accept whichever proposal(s) that may be in the best interest of the City, at its sole discretion.

General Terms & Conditions

1. This RFP does not commit the City to enter into an agreement, to pay any cost incurred in the preparation of a submittal to this request or in subsequent negotiations, or to procure or contract for the project.
2. At any time prior to the specified time and date set for the submission, a person/firm, or their designated representative, may withdraw their proposal.
3. The issuance of this RFP and the acceptance of a proposal do not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right to:
 - Reject any or all proposals.
 - Reissue an RFP.
 - Extend the time frame for submission of the proposals by notification to all parties who have registered an interest in this RFP with the City.
 - Request more information from any or all applicants.
 - Waive any immaterial defect or informality.
 - Decline to go forward with the RFP.
 - Reject any Subcontractor or Contractor proposed by the Proposer.
 - The City expressly reserves the right not to proceed to contract under this RFP.
4. All services shall be provided in accordance with Enclosure "D," the City's Professional Services Agreement. Final terms of any agreement will be established during negotiations. Negotiations may be terminated by the City for failure to reach mutually acceptable terms.
5. Each person/firm will be responsible for all costs incurred in preparing a response to this RFP.
6. All materials and documents submitted in response to this RFP will become the property of the City and will not be returned. Persons/firms selected for further negotiations will be responsible for all costs incurred by it during negotiations whether or not such negotiations lead to a contract with the City.
7. Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify the City, in writing, if the proposer discovers any ambiguity, discrepancy, omission or other error in the RFP. Any such notification should be directed to the City promptly after discovery, but in no event later than five working days prior to the date for receipt of proposals.

Enclosures/Reference Documents

Enclosure A	Public Arts Ordinance – Brisbane Muni Code Chapter 15 – Art in Public Places Program
Enclosure B	Public Art Implementation Guidelines
Enclosure C	Map denoting Brisbane boundary
Enclosure D	DRAFT Agreement for Professional Services

ENCLOSURE A

Chapter 15.85 ART IN PUBLIC PLACES PROGRAM

15.85.010 Title.

This chapter shall be known as the city's "art in public places program" and may be so cited.

(Ord. No. 588, § 1, 10-2-14)

15.85.020 Purpose.

The purpose of the city's art in public places program is to promote the visual arts by requiring the inclusion of a public artwork component in certain new public and private development projects in Brisbane. The city council recognizes that public art has the power to energize our public spaces, arouse our thinking, and transform the places where we live, work, and play into more welcoming and beautiful environments that invite interaction. By its presence alone, public art can heighten our awareness, question our assumptions, transform a landscape, or express community values, and for these reasons it can have the power, over time, to transform a city's image. Public art helps define a community's identity and reveal the unique character of a specific neighborhood.

15.85.030 Definitions.

For purposes of this chapter, the following definitions shall apply:

- A. "Brisbane public art fund" means the fund described in Section 15.85.040.
- B. "Building development costs" means construction costs, including grading and landscaping costs, for new private developments that do not include costs for hazardous materials abatement, land use planning consultants, feasibility studies, environmental review, land acquisition, legal fees, architecture/engineering, construction management, geotechnical surveys, historical surveys, and demolition. For public developments, "building development costs" means public construction costs that do not include costs for park and landscape renovation projects; pipelines, power transmission lines and towers, switchyards and substations, dwellings in watershed areas; mechanical, plumbing and electrical system upgrades; seismic or structural upgrades; modifications for disabled access, unless occurring in conjunction with a new building construction. "Building development costs" for public developments shall include costs for bridges and overpasses, but shall not include costs for other transportation improvement projects.
- C. "Implementation guidelines" means the guidelines for implementation of this chapter to be developed by the public art subcommittee.
- D. "In-lieu contribution" means a cash contribution equivalent to the percentage of building development costs required herein.
- E. "Public art subcommittee" means a broadly representative subcommittee appointed by the parks and recreation commission.

15.85.040 Brisbane public art fund.

- A. The city manager shall establish a Brisbane public art fund to receive in-lieu contributions, donations, and other funds contributed in support of the art in public places program. Unspent monies in the Brisbane

public art fund shall be carried over to the next fiscal year, unless prohibited by the source of the funds, or applicable laws or regulations.

- B. The Brisbane public art fund may be used to acquire, place, and maintain public art on public or private property throughout the city, as described in the implementation guidelines.

15.85.050 Contribution requirements.

A. Private Developments.

1. Commercial Projects.

- a. Private nonresidential and non-live-work building developments with building development costs from one million dollars (\$1,000,000.00) through five million dollars (\$5,000,000.00) shall contribute in an amount equal to at least one percent of their building development costs into the Brisbane public art fund as an in-lieu contribution. This section shall apply to both new projects and building alterations/additions.
- b. Private nonresidential and non-live-work building developments with building development costs above five million dollars (\$5,000,000.00) shall contribute in an amount equal to at least one percent of their building development costs into the Brisbane public art fund as an in-lieu contribution. Alternatively, at the discretion of the owner or developer, such projects may devote in an amount equal to at least one percent of their building development costs for the acquisition and installation of publicly accessible art on the development site, subject to the provisions of Section 15.85.060. This section shall apply to both new projects and building alterations/additions.

2. Residential Projects.

- a. Single and multiple family residential and live-work developments with ten (10) through twenty (20) units shall contribute in an amount equal to at least one-half percent of their building development costs into the Brisbane public art fund as an in-lieu contribution.
- b. Single and multiple family residential and live-work developments with more than twenty (20) units shall contribute in an amount equal to at least one percent of their building development costs into the Brisbane public art fund as an in-lieu contribution.
- c. Single and multiple family residential and live-work developments with building development costs above ten million dollars (\$10,000,000.00), regardless of the number of units, shall contribute in an amount equal to at least one percent of their building development costs into the Brisbane public art fund as an in-lieu contribution. Alternatively, at the discretion of the owner or developer, such projects may devote in an amount equal to at least one percent of their building development costs for the acquisition and installation of publicly accessible art on the development site, subject to the provisions of Section 15.85.060.

ENCLOSURE B

Public Arts Implementation Guidelines

City of Brisbane

*Approved by Council 06.17.21***Purpose:**

The City of Brisbane adopted a Public Arts Ordinance in 2014 in order to increase citizens' appreciation of art, to improve quality of life, and to enhance Brisbane's identity as a unique community within the greater Bay Area. Additionally, public art should stimulate creativity, imagination, induce creative conflict, and add a unique human quality to the community environment and enrich public spaces. A city rich in art becomes an outdoor cultural museum accessible to everyone.

Public art can and should be an integral part of the design and the planning process of all development.

Goals:

1. Community Involvement – A community develops a specific identity and character over time. Residents are uniquely qualified to provide insight into the types of public artwork that are best suited for the community depending on the size of the project. Those who reside in the community are encouraged to participate in the selection process of public art pieces by participating at public meetings.
2. Diversity of Art – The collection should be diverse in its representation of artists and artistic styles and be reflective of the ethnic and cultural diversity of the community.
3. Creation of Sense of Place – Art is important to our common experience because it brings focus, importance, and cohesion to public spaces. Public art develops images and provides experiences that reflect the historical and cultural essence of a community. Public art transforms public spaces by giving them a context and relevance and making them places of community interest and pride. Public art has the potential to improve the appearance of an entire business block; to heighten the ethnic, historical or cultural aspects of the community and to attract foot traffic to an area that formerly had little or none.
4. Artist Participation – By encouraging collaboration between artist, architects, and engineers, we can provide an aesthetic dimension that expands possibilities for creating public spaces for the community.

Definitions:

- **Artist:** An individual or team of individual artists whose body of work and professional activities demonstrate serious ongoing commitment to the fine arts. Members of architectural, engineering, design or landscaping firms retained for the design and construction of a

development project covered by these Guidelines shall not be considered artists for the purpose of meeting the requirement to provide public art.

- **Arts professional:** An individual who works in the fine arts field (such as arts consultant, fine arts curators, fine arts collectors, art critics, or art educators).
- **Artwork or work of art:** All forms of original creations of visual arts, including but not limited to: 1) sculpture in any material or combination of materials; 2) painting- all media including portable and permanently affixed works, such as murals and frescoes; 3) graphic arts, print making and drawing; 4) mosaics; 5) photography; 6) crafts in clay, fiber and textiles, wood, metal, plastics and other materials; 7) calligraphy; 8) stained glass; and 9) mixed media – any combination of forms or media, including collage.
- **Artwork cost:** Artwork cost is the total amount budgeted by the City for a public artwork project.
- **Building valuation:** The total dollar amount of all construction permits for the same development project using the latest building valuation data as set forth by the International Conference of Building Officials (ICBO) building valuation.
- **Conceptual design plan:** The initial phase of the approval of public artwork that includes review of the artist's or artist team's qualifications, conceptual artwork design, and artwork location.
- **Design:** Artwork detailing project design, including scale drawings within site context, sealed by an engineer, if required.
- **Fabrication:** A detailed description of the methods of fabrication as well as any uncommon or unusual details regarding the approach to creating an artwork piece.
- **Final design plan:** The final phase of the approval of public artwork that involves consideration of a highly defined proposal that conforms to the concept previously considered and approved by the Committee.
- **In-lieu contribution:** In place of an approved artwork on the site, a developer may elect to pay to the City an amount equal to the program allocation set forth in the Public Arts Ordinance. In-lieu fees shall be submitted to the City and deposited into the Public Art Fund before issuance of a building permit for the development project except when a different time period is approved by the Community Development Director and Parks and Recreation Director.
- **Installation:** A detailed description of the installation procedure if the artwork will not be fabricated directly on the selected site. Installation would include the construction of any required footings or foundation.
- **Public art:** Any permanent display of a work of visual art that was specifically designed to be located on a site where it would be easily accessible to the public, either on private or public property within the City of Brisbane.
- **Public art advisory committee:** A committee made of 2 Parks and Recreation Commissioners as designated by the Parks and Recreation Commission, 2 Council Members (the Council's Parks and Recreation Commission Liaisons), and 3 Brisbane Community members, appointed by City Council. The Community members shall serve two-year terms and one of whom will be professionally engaged in the art community, one of whom will be an employee or owner of a business located in Brisbane, and the other member may be either a resident of Brisbane or an owner or employee of a business located in Brisbane. Members of the Public Art Advisory

Committee will be ineligible to propose public art projects while they serve on the Committee and for 1 year after they leave the Committee.

- **Public art fund:** An interest-bearing account that is managed by the City Manager, or designee, into which public art funds, including donated funds, in-lieu funds and/or public art grant funds are deposited.
- **Public place:** An interior or exterior area on public or private property that is easily accessible by and highly visible to the general public.

General Procedure:

Public artwork is limited to permanent visual works of art, as opposed to performing, written, or temporary art. Visual art includes but is not limited to, murals, sculptures, artist-designed landscape features, streetscape features, earthworks, environmental installations, and water and digital displays.

Any money donated to or collected through the Building Permit process will be deposited in the Public Art Fund. The City Manager, or designee, shall administer the funds and establish accounting records according to Generally Accepted Accounting Principles (GAAP). The City Manager or designee will authorize all disbursements from the Public Art Fund. The account shall not be added to the City's General Fund.

The process for selecting the public piece to be installed will depend on whether or not the artwork is commissioned by the City of Brisbane or by a private person or entity.

All privately installed Public Art will be reviewed by a Public Art Advisory Committee. The Public Art Advisory Committee is responsible for reviewing and making decisions on conceptual design plans submitted by a developer of a project subject to the public art requirement.

Additionally, on an annual basis the Public Art Advisory Committee will meet to review the balance of funds in the Public Art Fund to determine if they should propose any projects be initiated and commissioned by the City.

The Public Art Advisory Committee shall ensure all public art projects meet the program criteria and guidelines for selection of an artist or artist team, artwork, and artwork location established in this procedure, before submittal of the Final Design Plan to the City Council.

The following procedure will be used to review and approve public art projects:

Privately Installed Public Art

1. The project contact will meet with the designated staff from the City prior to submitting concept design plans.
2. The developer must contract the services of an artist for any public art project. The developer will provide the work vitae of the art consultant or artist.

3. Proposals must include preliminary sketches, photographs, or other documentation of sufficient descriptive clarity to indicate the nature of the proposed work.
4. An appraisal or other evidence of the value of the proposed artwork, including acquisition and installation costs. If the value of a proposed artwork (by past records of comparable work sold, etc.) cannot be verified, City staff may choose to have the artist's proposal and or/other completed works appraised by a qualified art appraiser selected by the City. The developer will pay up-front for any art appraisal service fees. This expense will be deducted from the total artwork allocation cost.
5. Preliminary plans must contain such detailed information as may be required by the Public Art Advisory Committee to adequately evaluate the location of the artwork in relation to the proposed development, including compatibility with the character of adjacent conforming developed parcels and existing neighborhood if necessary.
6. A preliminary budget must show the proposed public art project is consistent with the public art ordinance requirements.
7. Within 30 days of receiving a completed application, the Advisory Committee will hold an open meeting to discuss the proposed project. The meeting will be noticed to all properties within 1,000 feet of the property and posted as required by law. With the agreement of the developer, the meeting may take place more than 30 days from receiving the completed application.

The proposed artwork project will be reviewed using the following criteria as applied to the supporting documentation and past projects: Artistic quality (vision, originality, and craftsmanship); Context (architectural, historical, geographical, and socio-cultural context of the site); quality and permanency of materials; maintenance; safety; diversity of artists; representation in the existing collection of publicly-accessible artworks; and diversity of artworks (media, scale, style, intention) in the existing collection of publicly accessible artworks.

8. The Public Art Advisory Committee will make a recommendation on the proposed artwork to the City Council.
9. The City Council will have the final approval for any public artwork project. If the Council does not approve the proposed project, it can refer the item back to the Advisory Committee for reconsideration.
10. All costs of maintaining a privately installed Public Art work will be the expense of the private entity unless the City accepts the Public Art piece as a donation.

Public Installed Public Art

1. The Public Art Advisory Committee will recommend to the City Council the amount of money from the Public Art Fund to be used on any publicly installed public art pieces and the breakout between Administrative and Maintenance costs of the project. The Public Art Advisory Committee will also recommend a location for the art project, type of artwork when appropriate, process for involving the community in the process, and method of calling for artists.

2. The Council will approve available funds for the artwork and solicit members to be part of an Art Selection Committee, if needed.
3. The Public Art Committee shall select an artist, or group of artists, through a public process using one of the following methods:
 - a. Request for qualifications (RFQ)
 - b. Request for proposals (RFP)
 - c. Invitational competition.
4. The City Council shall make a decision on the Public Art Committee's recommendations on the artist or artist group.
5. The Public Art Committee, any outside professional hired by the City for assisting with the selection of the artwork, and the appropriate City staff (as needed for the particular project) shall meet regularly with the selected artist, or group of artists, in developing the Conceptual Design Plan that meets the artwork and location criteria.
6. Once the Conceptual Plan has been approved by the Public Art Committee, the artist or artist's team shall refine the project objectives and the Conceptual Design Plan according to the direction of the Public Art Committee.
7. The Final Design will be approved by the City Council.

Use of Funds

All funds appropriated for public art will be deposited in the Public Art Fund. The City Council shall authorize projects for funding as prescribed in the public art implementation guidelines. In circumstances where it is not feasible to incorporate artistic features into a particular project, such money will be pooled and used for art in other projects. Disbursements shall be made in connection with projects approved by City Council. Nothing herein prohibits the City from soliciting or receiving grants, donations, bequests or gifts from private or public sources.

For individual pieces of art, the Art Advisory Committee will recommend to the City Council what percentage of the funds will be set aside for the Public Art, Maintenance and Administration, and Education based on the guidelines below:

1. Public Art Funds

No less than sixty-five percent (65%) of the fees collected shall be directed for Public Art Acquisition and may be spent for the following purposes:

- a) Artists' services and fees.
- b) Acquisition of art.
- c) Artist selection processes, including jury selection costs and model or design fees.

No more than fifteen percent (15%) of the money collected may be directed for maintenance and curatorial services:

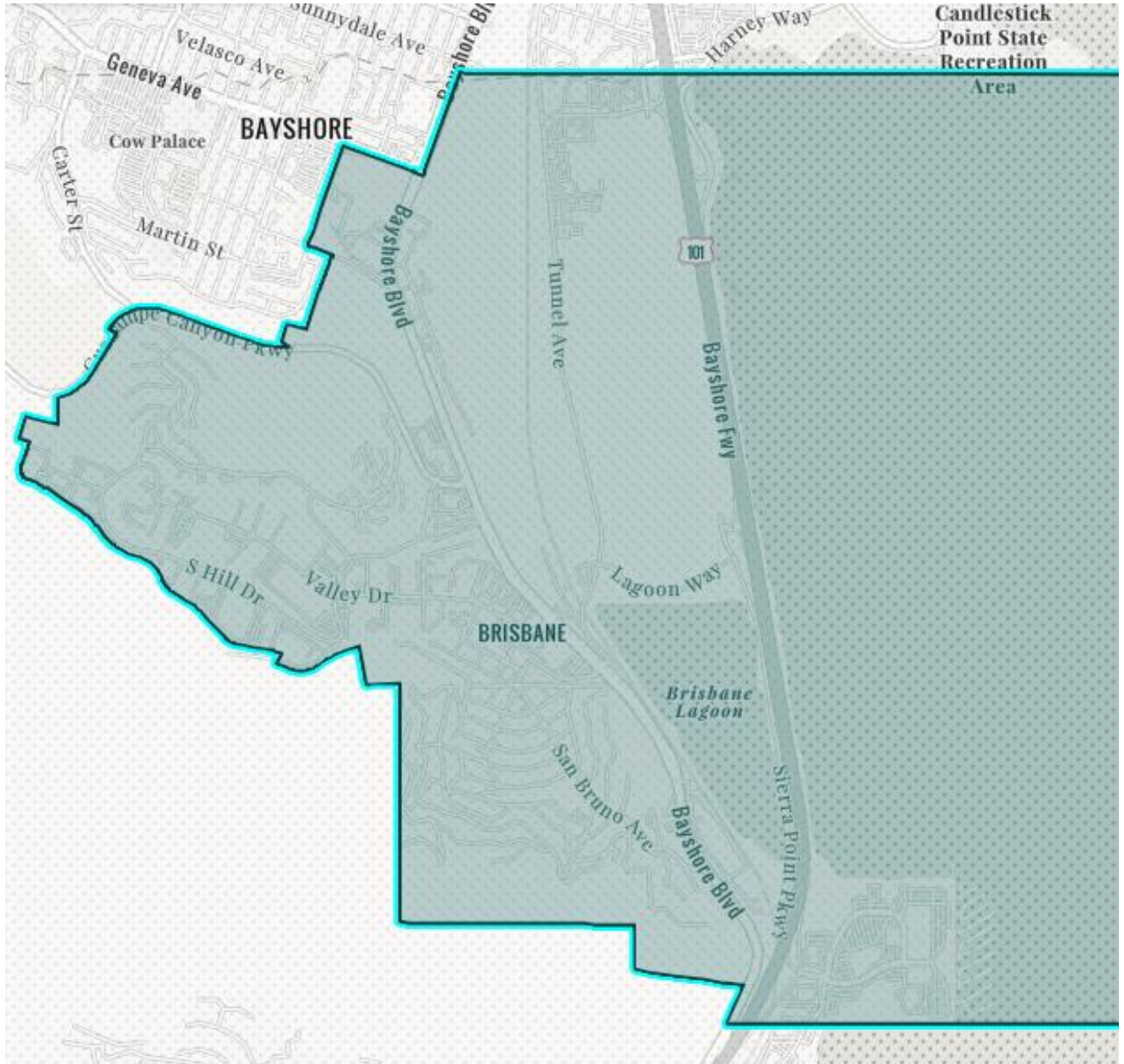
- a) Identifying plaques
- b) Repair, maintenance, surveys, curatorial services, and other conservation work necessary to keep all artworks in the City collection in standard condition.

No more than twenty percent (20%) of the fee may be directed for Public Art Administration and may be spent for the following purposes:

- a) Project administration.
- b) Community education programs, publicity, dedications, and other purposes as recommended by the Public Art Committee and approved by the City Council.

ENCLOSURE C

MAP DENOTING BRISBANE BOUNDARY



ENCLOSURE D

DRAFT AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT dated DATE is made by and between THE CITY OF BRISBANE, a municipal corporation ("City"), and CONSULTANT ("Consultant").

RECITALS

- A. City desires to retain Consultant to prepare a public art master plan.
- B. Consultant is specially trained, experienced, and qualified to provide such professional services and is willing to do so pursuant to the terms and conditions of this Agreement.

AGREEMENT

1. **Scope of Services.** Subject to the direction and approval of City through its staff that City may provide from time to time, Consultant shall perform the services described in the scope of work outlined in the Consultant's proposal (*Exhibit A*) referenced herein.
2. **Time of Performance.** The services of Consultant shall commence upon the execution of this Agreement and shall be satisfactorily completed within the agreed upon timeframe.
3. **Responsible Personnel.** The personnel acting on behalf of Consultant primarily responsible for performance of the services hereunder shall be as set forth within Exhibit A.
4. **Compensation.** As compensation for all services to be performed by Consultant under this Agreement, Consultant shall be paid the amounts set forth and incorporated herein as Exhibit A. In no event shall Consultant's total compensation exceed the agreed-upon sum without additional authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment.
5. **Method of Payment.** Consultant shall submit billings to City describing in detail the work performed for which payment is requested, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. Billings shall be submitted monthly, or at such other time as agreed upon between City and Consultant. City shall pay Consultant no later than 30 days after approval of the invoice by City. Such payment shall not be unreasonably withheld.
6. **Maintenance and Inspection of Records.** Consultant shall maintain all ledgers, books of account, invoices, vouchers, canceled checks, timecards, and other records or documents relating to charges for services or expenditures charged to City, for a minimum of three (3) years from the date of final payment to Consultant under this Agreement and shall make the same available to City or its authorized representatives for inspection and audit at any time during regular business hours, upon written request by City. The right of inspection shall include the right to make extracts and copies.
7. **Assignment and Subcontracts.** Consultant acknowledges that Consultant's special skill and expertise is a material consideration for City entering into this Agreement. Consultant shall not assign, subcontract, or delegate to any other party, the performance of any services to be rendered by Consultant or Subconsultants, without the prior written approval of City. If City consents to any sub-consulting of work, Consultant shall be fully responsible to City for all acts or omissions of the subconsultant.

8. **Ownership of Documents.** Upon payment of fees and expenses due, all plans, studies, documents, and other writings prepared by and for the Consultant in the course of performing its services under this Agreement, except working notes and internal documents, shall become the property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City upon written request.

9. **Independent Contractor.** Consultant is, and at all times shall remain, an independent contractor, and not an agent, officer, or employee of City. As an independent contractor, neither Consultant, nor any of Consultant's agents or employees, shall be entitled to any salary, fringe benefits, worker's compensation, retirement contributions, sick leave, insurance, or other benefit or right connected with employment by City, or any compensation other than as provided in this Agreement. Consultant shall have no power or authority to bind City to any contract or otherwise to incur any obligation or liability for, or on behalf, or in the name of City.

10. **Licenses.** Consultant represents and warrants to City that Consultant has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature that are legally required of Consultant to practice its profession. Consultant shall, at its sole cost and expense, keep and maintain such licenses, permits, qualifications, insurance and approvals in full force and effect at all times during the term of this Agreement. Consultant shall procure and thereafter maintain a City of Brisbane business license during the term of this Agreement.

11. **Compliance with Laws.** Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations in connection with the performance of its services under this Agreement.

12. **Employment Eligibility.** At the request of City, Consultant shall furnish to City copies of Employment Eligibility Verifications (INS Form I-9) or other evidence satisfactory to City showing that any or all persons providing services under this Agreement for, or on behalf of Consultant, is eligible to be employed in the United States. In the event Consultant is unable or unwilling to provide the employment eligibility verification within ten (10) days after City's request, City may require the immediate removal from the project of such workers as specified by City, and upon any failure by Consultant to do so, City shall be entitled to terminate this Agreement.

13. **Indemnity.** Consultant shall indemnify, defend, and hold City, its officers, officials, agents, employees, and volunteers, harmless from and against any and all claims, demands, causes of action, losses, damages, injuries, expenses and liabilities, direct or indirect, including reasonable attorney's fees, to the extent actually caused by negligence or willful misconduct in the performance by Consultant of its services under this Agreement or its failure to comply with any of its obligations contained in this Agreement, and City shall not be liable for any negligent acts or omissions or willful misconduct of Consultant. Consultant shall not be liable for the negligent acts or omissions or willful misconduct of the City.

14. **Insurance.** Consultant, at its own expense, shall procure and maintain, for the duration of this Agreement, insurance policies, which satisfy the following requirements:

- (a) Type of policies and coverage:

- (1) *General Liability Coverage.* Consultant shall maintain commercial general liability insurance in an amount not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage, providing coverage at least as broad as Insurance Services Office Commercial General Liability form CG 0001 (Ed. 11/88). If the form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
 - (2) *Automobile Liability Coverage.* Consultant shall maintain automobile liability insurance in an amount not less than \$1,000,000 combined single limit for each occurrence, for bodily injury and property damage, providing coverage at least as broad as Insurance Services Office form CA 0001 (Ed. 12/90) Code 1 (any auto).
 - (3) *Workers' Compensation and Employer's Liability Coverage.* Consultant shall maintain workers' compensation insurance as required by the State of California and employer's liability insurance in an amount not less than \$1,000,000 per occurrence, for any and all persons employed by Consultant in connection with the performance of services under this Agreement. In the alternative, Consultants may rely on a self-insurance program to provide this coverage so long as the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or Consultants, if a program of self-insurance is provided, shall waive all rights of subrogation against City for loss arising from work performed by Consultants for City.
 - (4) *Professional Liability Coverage.* Consultant shall maintain professional errors and omissions liability insurance in an amount not less than \$1,000,000 per occurrence, covering negligent acts, errors or omissions which may be committed by Consultant in the performance of its services under this Agreement.
- (b) Endorsements: Each general liability and automobile liability insurance policy shall contain, or be endorsed to contain, the following provisions:
- (1) The City, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied, or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents, or volunteers.
 - (2) For any claims related to the Project, Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, agents, or volunteers shall be in excess of Consultants' insurance and shall not contribute to it.

- (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to City, its officers, officials, employees, agents, or volunteers.
 - (4) Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - (5) Consultant's insurance coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return-receipt requested, has been given to City.
 - (c) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
 - (d) Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII, unless otherwise approved by City in writing.
 - (e) Verification of coverage. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required by this Agreement. Certificates of such insurance shall be filed with City before commencement of work by Consultant. At the request of City, Consultant shall provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by this Agreement.
15. **Notices.** Any notices required or permitted to be given under this Agreement shall be in writing and shall be either personally delivered or sent by certified mail, return-receipt requested, addressed to the other party as follows:

To City

City of Brisbane
50 Park Lane
Brisbane, CA 94005
Attn: City Manager

To Consultant

NAME
ADDRESS
Attn: PRIMARY CONTACT

16. **Litigation Expenses and Attorneys' Fees.** If any party to this Agreement commences any legal action against the other party to enforce or interpret this Agreement, the prevailing party shall be entitled to recover all costs and expenses that may be incurred in connection therewith, including court costs, expert witness fees, discovery expenses, and reasonable attorneys' fees.

17. **Termination of Agreement.** This Agreement may be terminated by any party, effective upon written notice, should the other party commit any material default in the performance of its obligations hereunder. This Agreement may also be terminated by either party, for any reason, upon fifteen (15) day's prior written notice to the other party. In the event this Agreement is terminated by City through no fault of Consultant, Consultant shall be compensated for all services performed prior to the date of termination.

18. **Equal Opportunity Employment.** Consultant warrants that it is an Equal Opportunity Employer and shall comply with applicable regulations governing equal opportunity employment.

19. **Miscellaneous Provisions.**

- (a) Severability. Should any portion of this Agreement be declared void or unenforceable in a final decision by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be reasonably interpreted to implement the intention of the parties.
- (b) Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels all prior agreements or understandings, whether written or verbal.
- (c) Amendments. This Agreement may be modified or amended only by a written document duly executed by both City and Consultant.
- (d) Waiver. The waiver of any breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same provision or any other provision of this Agreement.
- (e) Execution. Each party warrants that the individuals signing this Agreement on its behalf have the legal power and authority to do so and to bind the party to this Agreement.
- (f) Successors and Assigns. Subject to the restriction against assignment and subcontracting, this Agreement shall inure to the benefit of and shall be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

THE CITY OF BRISBANE

By: _____

Clayton L. Holstine, City Manager

ATTEST:

Ingrid Padilla, City Clerk

APPROVED AS TO FORM:

CONSULTANT

By: _____

NAME, COMPANY

Michael Roush

Legal Counsel

File Attachments for Item:**I. Authorize Selecting a Land Management and Permitting System Vendor**

(The purpose of this item is to Authorize the City Manager to select a land management and permitting system vendor, negotiate a contract for system implementation, and execute a contract with the chosen vendor. The submitted vendor proposals include a range of pricing estimates, with initial one-time implementation costs ranging from \$100,000-\$650,000 and ongoing costs ranging from \$40,000-\$140,000 annually.)



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: John Swiecki, Community Development Director

Subject: Land Management and Permitting System Procurement

Community Goal/Result

Fiscally Prudent - Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community.

Purpose

Procure a modern land management and permitting system.

Recommendation

Authorize the City Manager to select a land management and permitting system vendor, negotiate a contract for system implementation, and execute a contract with the chosen vendor.

Background

In October 2021, staff presented a Technology Master Plan (TMP) to the City Council that provided a roadmap for the City to achieve its vision to deliver services efficiently and transparently through technology improvements across all Departments. One of the TMP's priorities was implementation of a new comprehensive and modern land management and permitting system to replace the City's current patchwork of manual building, planning, and engineering permit procedures and databases projected into the 2022-2023 fiscal years.

To move this effort forward, the City hired consultant firm Baker Tilly to conduct a process evaluation for existing permit procedures, and to evaluate in depth the needs of all City departments related to permit processing. These evaluations informed development of a Request for Proposals (RFP) for a new land management and permitting system, which was released in March of this year.

As described in the RFP, the City seeks a proven, cloud-based software system that is designed around best practices and will allow the City to streamline and improve the permit process across all relevant departments, including Building, Engineering, and Planning. The RFP highlighted the City's desire for a system that is easy and intuitive to use for customers as well as staff members.

Discussion

The City received five responsive proposals representing a range of systems, from well-known industry leaders to relatively newer technology firms. An interdepartmental team representing

Community Development, Public Works, Finance/Administration, and Police departments are currently reviewing the proposals to determine which vendors will be invited to participate in vendor demonstrations tentatively scheduled for the week of June 5. Following the demonstrations, staff anticipates selecting a preferred vendor by mid-June. Contract negotiation with the preferred vendor would commence in July, with final contract terms mutually agreed upon by August.

Fiscal Impact

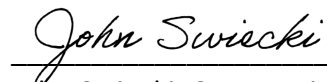
The Technology Master Plan reviewed by the Council in October 2021 projected budget estimates for one time implementation of \$200,000 and ongoing costs of \$20,000 annually. The submitted vendor proposals include a range of pricing estimates, with initial one-time implementation costs ranging from \$100,000-\$650,000 and ongoing costs ranging from \$40,000-\$140,000 annually. These prices should be considered ceilings, and all pricing estimates are subject to negotiation. Staff anticipates that contract negotiations may result in lower costs than those presented in the proposals.

Measure of Success

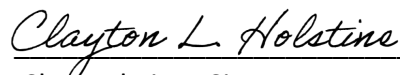
Procurement and implementation of a new land management and permitting system that streamlines the permit review and approval process for building, planning, and engineering permit processes, optimizes staff time spent on reviewing permit applications, and ensures the permit process is transparent and straightforward.

Attachments

None.



John Swiecki, Community Development Director



Clay Holstine, City Manager

File Attachments for Item:

J. Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024

i. Adopt a Resolution, "Appointing Attorney for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."

ii. Adopt a Resolution, "Appointing Engineer for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."

iii. Adopt a Resolution, "A Resolution of Preliminary Approval of Engineer's Report - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"

iv. Adopt a Resolution, "A Resolution of Intention to order the levy and collection of assessments pursuant to the Landscaping and Lighting Act of 1972 - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: Karen Kinser, Deputy Director of Public Works

Subject: Sierra Point Landscape and Lighting District Annual Appointments, Preliminary Approval of Engineer's Report and Intention to Order the Levy and Collection of Assessments

Community Goal/Result

Economic Development

Purpose

To begin the process that will ultimately provide a public hearing to consider imposition of annual tax roll charges that fund Sierra Point's Landscape and Lighting Assessment District, which provides for maintenance of the landscaping, irrigation and lighting installed in 1989.

Recommendation

Adopt the following resolutions:

1. Proposed Resolution, "Appointing Attorney for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."
2. Proposed Resolution, "Appointing Engineer for the Sierra Point Landscaping and Lighting District for the Fiscal Year 2023-2024."
3. Proposed Resolution, "A Resolution of Preliminary Approval of Engineer's Report - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"
4. Proposed Resolution, "A Resolution of Intention to order the levy and collection of assessments pursuant to the Landscaping and Lighting Act of 1972 - Fiscal Year 2023-2024 - Sierra Point Landscaping and Lighting District"

Background

These four resolutions are part of the required annual process for the Sierra Point Landscaping and Lighting District. In order, they appoint an Attorney and an Engineer of Record for the landscaping and lighting district, preliminarily approve the Engineer's Report (which specifies the work to be completed, the cost of the work, and the proportionate share of the costs within the district for the next fiscal year) and indicate intention to order the levy and collection of assessments for said district.

Discussion

The requested actions begin the annual process that provides funding for the operation and maintenance of the Sierra Point Landscaping and Lighting District. At a later meeting, a Public Hearing will be held to confirm and order the Improvements/Assessments.

If the Council chooses to not approve these Resolutions, then the city will most likely not have a mechanism to collect the assessments which fund the operation and maintenance of the landscaping, irrigation and lighting at Sierra Point.

Fiscal Impact

There is no direct fiscal impact as a result of approving the recommended resolutions; all work to be completed in this phase of the process will be completed by existing staff.

Measure of Success

Approval of the Engineer's Report and confirming the assessments will allow for the ongoing maintenance and improvements of the landscaping, lighting and pathways at Sierra Point.

Attachments

1. Proposed Resolutions (4)
2. Draft Engineer's Report



Karen Kinser, Deputy Director of Public Works



Randy Breault, Director of Public Works/City Engineer



Clay Holstine, City Manager

RESOLUTION NO. 2023-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
APPOINTING ATTORNEY FOR THE SIERRA POINT
LANDSCAPING AND LIGHTING DISTRICT
FISCAL YEAR 2023-2024**

WHEREAS, the City Council of the City of Brisbane has determined to undertake proceedings for the levy and collection of assessments upon the several lots or parcels of land in the Sierra Point Landscaping and Lighting District pursuant to the Landscaping and Lighting Act of 1972 for the construction or installation of improvements, including the maintenance or servicing, or both, thereof for the fiscal year 2023-2024; and

WHEREAS, the public interest and general welfare will be served by appointing and employing an attorney for the preparation and conduct of said proceedings;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brisbane as follows:

Thomas McMorrow, Attorney at Law, or his successor, is hereby appointed and employed to do and perform all legal services required for said proceedings.

Madison Davis, Mayor
City of Brisbane

* * * *

I, the undersigned, hereby certify that the foregoing Resolution No. 2023- was adopted at a regular meeting of the City Council of the City of Brisbane on the 1st day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

Ingrid Padilla, City Clerk
City of Brisbane

RESOLUTION NO. 2023-__**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
APPOINTING ENGINEER FOR THE SIERRA POINT
LANDSCAPING AND LIGHTING DISTRICT
FISCAL YEAR 2023-2024**

WHEREAS, the City Council of the City of Brisbane has determined to undertake proceedings for the levy and collection of assessments upon the several lots or parcels of land in the Sierra Point Landscaping and Lighting District, pursuant to the Landscaping and Lighting Act of 1972 for the construction or installation of improvements, including the maintenance or servicing, or both, thereof for fiscal year 2023-2024;

WHEREAS, the public interest and general welfare will be served by appointing and employing an engineer for the preparation and conduct of said proceedings;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brisbane as follows:

Karen A. Kinser, P.E., Deputy Director of Public Works, is hereby appointed and employed as Engineer of Work, employed in order to perform all engineering work necessary in and for said proceedings.

Madison Davis, Mayor
City of Brisbane

* * * *

I, the undersigned, hereby certify that the foregoing Resolution No. 2023- was adopted at a regular meeting of the City Council of the City of Brisbane on the 1st day of June, 2023 by the following vote:

AYES:
NOES:
ABSENT:

Ingrid Padilla, City Clerk
City of Brisbane

RESOLUTION NO. 2023-__**RESOLUTION OF PRELIMINARY APPROVAL OF ENGINEER'S REPORT
FISCAL YEAR 2023 – 2024****SIERRA POINT LANDSCAPING AND LIGHTING DISTRICT**

RESOLVED, by the City Council of the City of Brisbane, California, that

WHEREAS, the Engineer of Work has prepared and filed with the Clerk of said City a report, in writing, all as therein more particularly described, under and pursuant to the Landscaping and Lighting Act of 1972;

WHEREAS, under and pursuant to said Act, the report has been presented to this Council for consideration; and

WHEREAS, said Council has duly considered said report and each and every part thereof, and finds that each and every part of said report is sufficient, and that neither said report, nor any part thereof should be modified in any respect.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED and ORDERED, as follows:

1. That the plans and specifications for the existing improvements and the proposed new improvements to be made within the assessment district or within any zone thereof, contained in said report, be, and they are hereby, preliminarily approved.
2. That the Engineer's estimate of the itemized and total costs and expenses of said improvements, maintenance and servicing thereof, and of the incidental expenses in connection therewith, contained in said report, be, and each of them are hereby, preliminarily approved.
3. That the diagram showing the exterior boundaries of the assessment district referred to and described in said Engineer's Report and also the boundaries of any zones therein and the lines and dimensions of each lot or parcel of land within said district as such lot or parcel of land is shown on the County Assessor's maps for the fiscal year to which the report applies, each of which lot or parcel of land has been given a separate number upon said diagram, as contained in said report, be, and it is hereby, preliminarily approved.
4. That the proposed assessment of the total amount of the estimated costs and expenses of the proposed improvements upon the several lots or parcels of land in said district in proportion to the estimated benefits to be received by such lots or parcels, respectively, from said improvements including the maintenance or servicing,

or both, thereof, and of the expenses incidental thereto, as contained in said report, be, and they are hereby, preliminarily approved.

5. That said report shall stand as the Engineer's Report for the purpose of all subsequent proceedings to be had.

Madison Davis, Mayor
City of Brisbane

* * * *

I, the undersigned, hereby certify that the foregoing Resolution No. 2023- was adopted at a regular meeting of the City Council of the City of Brisbane on the 1st day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

Ingrid Padilla, City Clerk
City of Brisbane

RESOLUTION NO. 2023-__

**A RESOLUTION OF INTENTION TO ORDER THE LEVY AND COLLECTION
OF ASSESSMENTS
PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
FISCAL YEAR 2023-2024**

SIERRA POINT LANDSCAPING AND LIGHTING DISTRICT

RESOLVED, by the City Council of the City of Brisbane, California, as follows:

WHEREAS, pursuant to the Landscaping and Lighting Act of 1972, the Engineer of Work of said City has prepared and filed with the Clerk of this City the written report, which said submitted report has been preliminarily approved by this Council in accordance with said Act;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED and ORDERED, as follows:

1. In its opinion the public interest and convenience require and it is the intention of this Council to order the levy and collection of assessments for Fiscal Year 2023-2024 pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, for the construction or installation of the improvements, including the maintenance or servicing, or both, thereof, more particularly described in Exhibit "A" hereto attached and by reference incorporated herein.

2. The cost and expenses of said improvements, including the maintenance or servicing, or both, thereof, are to be made chargeable upon the assessment district designated as Sierra Point Landscaping and Lighting District, the exterior boundaries of which district are the composite and consolidated area as more particularly described on a map thereof on file in the office of the Clerk of said City, to which reference is hereby made for further particulars. Said map indicates by a boundary line the extent of the territory included in the district and of any zone thereof and the general location of said district.

3. Said Engineer's Report prepared by the Engineer of Work of said City, preliminarily approved by this Council, and on file with the Clerk of this City is hereby referred to for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the district.

4. Notice is hereby given that on June 29, 2023, or as soon thereafter as the matter may be heard, at the Brisbane Community Meeting Room, Brisbane City Hall, 50 Park Place, Brisbane, California, the City Council shall convene and hold a public

meeting to receive public testimony with respect to said assessments, pursuant to Government Code Section 59954.6. The City Clerk is authorized to cause publication of notice of said public meeting pursuant to Government Code 6063 and to mail such notice by first-class mail to the owners of the property to be assessed as shown by the last equalized assessment roll said notice shall contain the information as specified by Government Code Section 54954.6 (C)(2).

5. Notice is hereby given that on June 29, 2023, or as soon thereafter as the matter may be heard, at the Brisbane Community Meeting Room, Brisbane City Hall, 50 Park Place, Brisbane, California, be and the same are hereby appointed and fixed as the time and place for a hearing by this Council on the question of the levy and collection of the proposed assessment for the construction or installation of said improvements, including the maintenance and servicing, or both, thereof, and when and where it will consider all oral statements and all written protests made or filed by any interested person at or before the conclusion of said hearing, against said improvements, the boundaries of the assessment district and any zone therein, the proposed diagram or the proposed assessment, to the Engineer's estimate of the cost thereof, and when and where it will consider and finally act upon the Engineer's Report.

6. The Clerk of said City is hereby directed to give notice of said hearing by causing a copy of this Resolution to be published once in the San Mateo Times, a newspaper published and circulated in San Mateo County, there being no newspaper published in said City, and by conspicuously posting a copy thereof upon the official bulletin board customarily used by the City for the posting of notices, said posting and publication to be had and completed at least ten (10) days prior to the date of hearing specified herein.

7. The office of the City Manager of said City is hereby designated as the office to answer inquiries regarding any protest proceedings to be had herein and may be contacted during regular office hours at City Hall, 50 Park Place, Brisbane, California 94005 or by calling (415) 508-2110.

Madison Davis, Mayor
City of Brisbane

* * * *

I, the undersigned, hereby certify that the foregoing Resolution No. 2023- was adopted at a regular meeting of the City Council of the City of Brisbane on the 1st day of June, 2023 by the following vote:

AYES:
NOES:
ABSENT:

Ingrid Padilla, City Clerk
City of Brisbane

EXHIBIT “A” to Resolution No. 2023-__**Description of District Purpose****SIERRA POINT
LANDSCAPING AND LIGHTING DISTRICT**

- a) The construction or installation, including the maintenance or servicing, or both, thereof, of public landscaping, including irrigation, trees, shrubs, grass, or other vegetation.
- b) The construction or installation, including the maintenance or servicing, or both, thereof, of public lighting facilities, including standards, poles and electric current or energy.

CITY OF BRISBANE

SIERRA POINT

LANDSCAPING AND LIGHTING DISTRICT

ENGINEER'S REPORT

on the
Levy of an Assessment
for the
2023 - 2024 Fiscal Year

Prepared by

Karen Kinser, P.E.
Deputy Director of Public Works

May 24, 2023

I. BACKGROUND

In 1983, the Brisbane City Council determined to undertake proceedings under the provisions of Division 15, Part 2, of the California Streets and Highways Code, entitled “Landscaping and Lighting Act of 1972”, for the formation of an assessment district for the purpose of constructing, installing, maintaining and servicing the following facilities within said district:

- a) Public landscaping, including trees, shrubs, grass, other vegetation, and irrigation facilities.
- b) Public lighting facilities, including standards, poles, and electric current or energy.

The proposed district was designated the “Sierra Point Landscaping and Lighting District”.

This report was prepared as part of an annually occurring process to detail the assessment charges and district expenses covering the 2023 - 2024 fiscal year.

II. PLANS AND SPECIFICATIONS

The original plans and specifications for this assessment district have been separately bound but are incorporated herein by this reference thereto.

III. ESTIMATE OF COSTS

The costs of this assessment district for the 2023 - 2024 fiscal year are estimated to be as follows:

ZONE 1 & 2 CONSTRUCTION & MAINTENANCE COSTS

		FY 23/24
	Employee costs	111,368
	Supplies and services	358,269
	Administrative costs	122,082
	TOTAL ZONE 1 & 2	\$591,719

Supplies and services includes safety clothing, maintenance of vehicles and equipment, small tools and supplies, landscape and irrigation maintenance including materials, electricity, and water.

Administrative charges are indirect, overhead costs to manage the district.

A detailed breakdown of these costs is available to assesses upon request.

Costs associated with this assessment district for the 2023 - 2024 fiscal year are to be paid as follows:

ZONE 1 & 2 FUNDING SOURCES

		FY 23/24
	Assessment charges	591,719
	TOTAL ZONE 1 & 2	\$591,719

IV. **DIAGRAM**

The assessment diagrams for Zones 1 and 2 are attached hereto and are a part of this report.

V. **ASSESSMENT**

The assessments to be made against the assessable lots and parcels of land within this assessment district are attached hereto and are a part of this report.

Respectfully submitted,

Dated 05/24/23



Karen Kinser, P.E.
Deputy Director of Public Works

Filed in the office of the City Clerk of the City of Brisbane, San Mateo County, California, this _____ day of _____, 2023.

Ingrid Padilla
City Clerk

Filed in the office of the County Controller-Auditor of the County of San Mateo, California, this _____ day of _____, 2023.

Juan Raigoza
County Controller

ASSESSMENT ROLL

<u>ASSESSMENT NUMBER</u>	<u>ASSESSOR'S PARCEL NUMBER</u>	<u>PARCEL AREA, AC.</u>	<u>ASSESSMENT</u>
<u>ZONE 1</u>			
A 1	007—165—210	4.41	\$24,570
A 2	007—165—230	8.97	49,976
A 3	007—165—110	3.44	19,166
A 4	007—165—050	6.13	34,153
A 5	007—164—020	5.66	31,534
A 6	007—164—010	10.20	56,828
A 7	007—165—130	9.78	54,488
A 8	007—165—140	7.13	39,724
A 9	007—165—150	5.93	33,038
A 10	007—163—030	3.52	19,619
A 11	007—163—040	3.08	17,160
A 12	007—165—120	4.56	25,406
C 1	015—011—090	Note ¹	0
C 2	015—011—100	6.92	38,554
C 3	015—011—110	8.57	47,747
C 4	015—011—120	8.56	47,691
C 5	015—011—140	2.41	13,427
Subtotal Zone 1		99.27	\$553,074

¹ Although previously assessed, this parcel is owned by California State Lands Commission, which is exempt from local assessments.

ZONE 2

B	1	None (placeholder only)		-0-
B	2	005—162—430 (Ptn)	15.2	7,190
B	3	005—162—300	66.5	31,455
B	4	005—162—400 (Ptn)	Note ²	-0-
B	5	005—162—410 (Ptn)	0.2 ³	-0-
B	6	005—162—390	Note ⁴	-0-
B	7	005—162—420 (Ptn)	Note ⁴	-0-
		Subtotal Zone 2	81.7	\$ 38,645
		Total	180.99	\$591,719

METHOD OF ASSESSMENT SPREAD

The amounts to be assessed against the parcels of property to pay the costs and expenses of the work and improvements shall be based on the estimated benefits to be derived by the various properties within the assessment district.

Construction and maintenance costs shall be segregated by zone, and then spread to the parcels within each zone in proportion to the area of the benefited parcels within the zone.

Incidental expenses shall be spread proportionally to the area of benefited parcels within the assessment district.

Due to the County Auditor's requirement that individual parcel assessments be rounded to the nearest even cent, the total of said individual assessments may not exactly equal the total estimate of costs.

² This portion of this parcel is private land over which the public has been granted access for use as the street, Tunnel Avenue.

³ No assessment has been imposed for a value less than \$100.

⁴ B6 and B7 are publicly owned portions of Tunnel Avenue.

NAMES AND ADDRESSES OF OWNERS

ASSESSMENT NUMBER	APN NUMBER	ASSESSEE
A-1	007-165-210	BP3 SF4 1000 Marina LLC 4380 La Jolla Village Dr. Suite 230 San Diego, CA 92122
A-2	007-165-230	BP3 SF5 3000 3500 Marina LLC 4380 La Jolla Village Dr. Suite 230 San Diego, CA 92122
A-3	007-165-110	SNH Brisbane Ca LLC 255 Washington St Newton, MA 02458
A-12	007-165-120	PPF OFF 7000 Marina Blvd LP C/O Morgan Stanley Real Estate Advisor 555 California St. 21 st Floor San Francisco, CA 94101
A-4	007-165-050	Grand Sierra Properties, Inc. 150 Executive Park Blvd. #4000 San Francisco, CA 94134
A-5	007-164-020	HCP Life Science REIT, Inc. 1920 Main St, Suite 1200 Irvine, CA 92614
A-6	007-164-010	HCP Life Science REIT, Inc. 1920 Main St, Suite 1200 Irvine, CA 92614
A-7 A-8 A-9	007-165-130 007-165-140 007-165-150	Slough Brisbane LLC 1920 Main St. Suite 1200 Irvine, CA 92614
A-10	007-163-030	Summit Hospitality 114 LLC 12600 Hill Country Blvd., #R-100 Austin, TX 78738
A-11	007-163-040	Bre Sh Brisbane Owner LLC PO Box A-3956 Chicago, IL 60690-3956

B-2 B-3 B-4 B-5	005-162-430 005-162-300 005-162-400 005-162-410	Oyster Point Properties, Inc. 150 Executive Park Blvd. #4200 San Francisco, CA 94134-3332
B-6 B-7	005-162-390 005-162-420	City of Brisbane 50 Park Place Brisbane, CA 94005
C-1	015-011-090	State of California C/O State Lands Commission Attn: Title Unit 100 Howe Ave., Ste. 100 Sacramento, CA 95825
C-2	015-011-100	HCP Life Sciences REIT, Inc. 3000 Meridian Boulevard #200 Franklin, TN 37067
C-3	015-011-110	GI ETS Shoreline LLC Attn: Tony P. Lin 4 Embarcadero Suite 3200 San Francisco, CA 94111
C-4	015-011-120	DW LSP 5000 Shoreline LLC C/O Divco West Real Estate Group Attn: Sam Hamilton PO Box 130667 Carlsbad, CA 92013
C-5	015-011-140	GNS Shoreline LP C/O Altusgroup USINC/Ventas #6904 PO Box 71970 Phoenix, AZ 85050

File Attachments for Item:

L. Consider Adoption of a Resolution of the Board of Directors of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Authorizing the Issuance and Sale of its Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023

(Council will consider whether to approve financing of the costs of tenant improvements and related equipment and furnishings to the building at 25 Park Place leased by the City by means of the issuance of revenue bonds (the “Bonds”) by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the “Authority”) in an aggregate amount not to exceed \$5,500,000, payable from the City’s general fund.)



CITY OF BRISBANE AND BRISBANE GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY AGENDA REPORT

Meeting Date: 6/1/2023

From: Carolina Yuen, Finance Director

Subject: City Council Resolution Approving the form and authorizing the execution of certain lease financing documents to finance the costs associated with tenant improvements, and related equipment and furnishings for leased property at 25 Park Place in Brisbane and authorizing and directing certain actions thereto

Subject: Authority Resolution approving the form and authorizing the execution of certain lease financing documents in connection with the financing by the City of Brisbane of a portion of the costs associated with tenant improvements, and related equipment and furnishings for leased property at 25 Park Place in Brisbane and authorizing and directing certain actions thereto

Community Goal/Result

Fiscally Prudent

Community Building

Purpose

Authorize funding to finance costs associated with tenant improvements, and related equipment and furnishings for leased property at 25 Park Place (City Hall Annex) to be used for municipal purposes.

Recommendation

Approve the Resolutions described above.

Background

In July 2021, the City entered into a 10-year lease for the property located at 25 Park Place in order to better serve the community and in anticipation of the need for additional space for staff due to the potential development of the Baylands. In February 2023, the City amended the lease to extend the term an additional 15 years in order to obtain financing to cover the necessary tenant improvements.

Estimates of construction costs to improve the property currently have been presented at \$4.6 million including a 20% cushion to cover unexpected change orders and the cost of construction management. The architect's contract was for approximately \$400,000. The construction timeframe is expected to span nine months starting this year and to be completed by the Spring of 2024.

Staff met with the City Council Fiscal and Administrative Policies Subcommittee on April 3, 2023, to discuss funding options. The Subcommittee directed staff to proceed to explore bond financing to pay for the tenant improvements, but to also look at partial funding directly from

the City's liquid funds.

Discussion

City staff and the City's Financial Advisor (Marty Johnson) have explored financing options considering bond rates have been volatile over the past year. The target was to keep the annual payment structure comparable to existing requirements considering we have a Pension Obligation Bond due in 2023 and the City Hall Remodel Refunding due to be paid off in 2029. Proposed payments are structured to commence in FY2024.

Staff reviewed several options including a private placement with a bank and a sale in the public market. The current volatility in the interest rate market, various issues surrounding regional banks and the relatively small size of the financing have resulted in the City pursuing a negotiated sale process in the public market. Based on feedback from the Subcommittee, the City is proposing to issue a 20-year bond, sized to provide \$5.5 million of net proceeds. The estimated interest rate is 4.45%. The payments on the new debt will be structured with payment of ~\$350,000 through FY2025 and then payments of ~\$430,000 through maturity in FY2043, with an approximate total interest cost of \$3.2 million. Based on this structure, the total payments on all issues paid from the General Fund would be approximately \$1.3 million from FY2026 to FY2033.

The repayment schedule may be altered further to wrap this debt around existing debt the General Fund is paying. The idea of wrapping this new debt around existing debt allows the City to minimize the initial impact of the additional debt service. The City currently has two issues outstanding that the General Fund is paying. One is a Pension Obligation Bond which comes due in FY 2023. The second is the City Hall remodel which will be paid off in 2029. The annual payment for the Pension Obligation Bond is about \$393,000 for FY 2023 and the annual payment for the City Hall remodel is about \$155,000 a year through 2029. There will be no payment due in FY 2023 on the new debt. If the payments are structured around the existing payments, the total annual payment from the General Fund would be ~1.2 million. The total interest cost on the proposed 2023 bonds would increase to \$3.7 million.

If the City Council chooses not to borrow the \$5.5 million, the City would need to instead pay cash from the General Fund and reduce the amount of cash available to meet other needs. As discussed at the FY23 Mid-year Budget review, the City is just shy of using reserves to cover costs for FY23. Spending cash instead of borrowing may risk us not having funds accessible if there is an emergency or to cover lost revenues. Reducing the City's cash balance would also reduce the amount of interest the City could earn from existing investments. The LAIF rate is currently approximately at 3% and the 2-year Treasury is at 4.3%. Whether we borrow the full \$5.5 million versus a less amount, several of the bond costs are fixed and won't change with a smaller par amount.

Proceeds Amount	Interest Cost	Average Annual Debt Svc
\$5,500,000	\$ 3.2M	\$422K

\$4,500,000	\$2.6M	\$346K
\$3,500,000	\$2.0M	\$271K

Fiscal Impact

The annual payment for the new debt will increase from \$350,000 in FY 2024 to \$430,000 in 2043. The bonds will be paid off after 20 years. The total amount of interest paid over the life of the bonds will be \$3.2 million. The interest paid in the first 5 years will be \$1.2 million. A portion of this interest payment can be offset by the interest on the money the City will keep by using financing and by investing the bond proceeds during the construction period.

City properties including the Mission Blue Community Center, the Community Pool Complex, and the Community Center located on Visitacion Avenue, are being bundled to satisfy the financing requirements:

Security for the 2023 Bonds	
Community Pool Complex	\$ 2,013,000
Community Center / Old Library	\$ 1,734,000
Mission Blue Community Center	\$ 1,976,000
	<u>\$ 5,723,000</u>

Measure of Success

The City and staff are able to enjoy the use of the City Hall Annex property to benefit the community.

Attachments

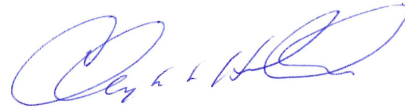
- 1) City Council Resolution Approving the form and authorizing the execution of certain lease financing documents to finance the costs associated with improvements at leased property located at 25 Park Place in Brisbane and authorizing and directing certain actions thereto.
- 2) Authority Resolution approving the form and authorizing the execution of certain lease financing documents in connection with the financing by the City of Brisbane of a portion of the costs associated with improvements at leased property located at 25 Park Place in Brisbane and authorizing and directing certain actions thereto.
- 3) Site and Facility Lease – Details the term of the lease through May 1, 2043. The City leases the facility to the Brisbane/Guadalupe Valley Municipal Improvement Financing Authority for the advance payment of \$5,500,000 the City will pay the Financing Authority back over time on the prearranged payment schedule.
- 4) Lease Agreement between Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority and the City – The City leases back the Mission Blue Community Center, the Municipal Pool Complex, and the Old Community Center property as set

forth in the terms of this lease agreement. Lease payments from the City to the Financing Authority will be budgeted annually from any source legally available to the City to make the payments.

- 5) Indenture of Trust – Details the terms and conditions of the agreement between the issuer and the trustee who represents the interests of the bond investors.
- 6) Bond Purchase Agreement – Stipulates the conditions of the sale between the bond issuer and the underwriter of the bonds.
- 7) Continuing Disclosure Certificate – This document is executed and delivered by the Issuer for the benefit of registered and beneficial owners of the bonds, to assist the underwriter (Oppenheimer & Co., Inc.) in complying with SEC Rule 15c2-12(b)(5).
- 8) Preliminary Official Statement (POS) – This document is an informational disclosure document released prior to the sale that describes the proposed new issue of bonds prior to the final determination of the maturity amounts, interest rates and offering pricing/yields.
- 9) Proposed Debt Schedule



Carolina Yuen, Finance Director



Clay Holstine, City Manager

CITY OF BRISBANE**RESOLUTION NO. _____**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
APPROVING PROCEEDINGS BY THE BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY FOR THE
ISSUANCE AND SALE OF ITS BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY LEASE
REVENUE BONDS, SERIES 2023, TO FINANCE THE COSTS OF TENANT
IMPROVEMENTS TO, AND RELATED EQUIPMENT AND FURNISHINGS FOR,
A BUILDING AT 25 PARK PLACE, BRISBANE, CALIFORNIA, LEASED BY THE
CITY AND USED FOR MUNICIPAL PURPOSES, APPROVING THE FORM
AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS AND
APPROVING RELATED OFFICIAL ACTIONS**

RESOLVED, by the City Council (the "Council") of the City of Brisbane (the "City"), San Mateo County, State of California, as follows:

WHEREAS, the City of Brisbane (the "City") proposes to finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes (the "2023 Project");

WHEREAS, it is proposed that the 2023 Project will be financed from the proceeds of Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the "Bonds"), to be issued by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority") under the provisions of Article 4 (commencing with section 6584) of the JPA Act (the "Bond Law"), and pursuant to the terms of an indenture of trust, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee;

WHEREAS, in order to provide for the repayment of the Bonds, the City will lease certain City-owned property and the site thereof (collectively, the "Property") to the Authority pursuant to a site and facility lease (the "Site and Facility Lease") and the Authority will lease the Property back to the City pursuant to a lease agreement (the "Lease Agreement") under which the City will agree to make lease payments to the Authority from moneys in the City's General Fund and the City will budget and appropriate sufficient amounts in each year to pay the lease payments which will be equal to the scheduled principal of and interest on the Bonds;

WHEREAS, the proposed form of a preliminary official statement (the "Preliminary Official Statement") describing the Bonds, to be used in connection with the marketing of the Bonds, has been prepared and has been presented to the Council;

WHEREAS, Oppenheimer & Co. Inc. (the "Underwriter"), has proposed to purchase and underwrite the Bonds and has presented to the Authority and the City a form of bond purchase agreement for the Bonds, to be entered into among the Authority, the City and the Underwriter (the "Bond Purchase Agreement");

WHEREAS, the Council desires to make a finding of significant public benefit pursuant to section 6586.5(a)(2) of the California Government Code and to approve of the financing and the transactions contemplated by the Bonds;

WHEREAS, the Council has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City; and

WHEREAS, pursuant to section 5852.1 of the Government Code, which became effective on January 1, 2018, by the enactment of Senate Bill 450, certain information relating to the Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRISBANE AS FOLLOWS:

Section 1. Recitals True and Correct. The Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Findings. The Council hereby finds that significant public benefits will arise from the financing contemplated by the Bonds and the documents related thereto, in accordance with section 6586 of the California Government Code.

Section 3. Approval of Bonds. The Council hereby approves the issuance of the Bonds by the Authority for the purpose of providing funds to finance the 2023 Project.

Section 4. Approval of Site and Facility Lease. The Council hereby approves the Site and Facility Lease, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by the City Manager, the Assistant City Manager or the Finance Director (each, a "Designated Officer"), and the execution of the Site and Facility Lease by a Designated Officer shall be conclusive evidence of such approval. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Site and Facility Lease for and in the name of the City. The Council hereby authorizes the delivery and performance of the Site and Facility Lease.

Section 5. Approval of Lease Agreement. The Council hereby approves the Lease Agreement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any of the Designated Officers, and the execution of the Lease Agreement by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Lease Agreement for and in the name of the City. The Council hereby authorizes the delivery and performance of the Lease Agreement.

Section 6. Sale of Bonds. The Council hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter pursuant to the Bond Purchase Agreement, in the form on file with the City Clerk, together with such additions thereto and changes therein as any of the Designated Officers shall deem necessary, desirable or appropriate, and the execution of which by a Designated Officer shall be conclusive evidence of the approval of such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the Bond Purchase Agreement for and in the name of the City; provided that (a) the amount of Underwriter's discount for the Bonds shall be not more than 0.75% of the par amount thereof, (b) the principal

amount of the Bonds is not greater than \$5,500,000, (c) the true interest cost of the Bonds does not exceed 4.50% and (d) the term of the Bonds does not extend beyond May 1, 2043.

Section 7. Official Statement. The Council hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the Preliminary Official Statement, in the form on file with the City Clerk. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the City's determination that the Preliminary Official Statement is nearly final within the meaning of the Rule. Distribution of the Preliminary Official Statement in connection with the sale of the Bonds is hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed, upon consultation with Disclosure Counsel to the Authority for the Bonds and the City Attorney, to approve any changes in or additions to the Preliminary Official Statement deemed necessary or desirable to bring it into the form of a final official statement (the "Final Official Statement"), and the execution of the Final Official Statement by any Designated Officer shall be conclusive evidence of approval of any such changes and additions. The Council hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the City by any of the Designated Officers.

Section 8. Continuing Disclosure Certificate. The Council hereby approves a continuing disclosure certificate (the "Continuing Disclosure Certificate"), in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any Designated Officer, the execution of which by the City shall be conclusive evidence of the approval of any such non-material additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate for and in the name and on behalf of the City. The City hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

Section 9. Municipal Bond Insurance. The Designated Officers are hereby authorized and directed to solicit proposals for municipal bond insurance for the Bonds. Any Designated Officer, in consultation with the Municipal Advisor, is hereby authorized to determine if such municipal bond insurance is financially advantageous to the City and, if it is determined that such municipal bond insurance is financially advantageous to the City and a commitment therefor is received, any Designated Officer is hereby authorized to accept such commitment and to revise the legal documents as may be appropriate to provide for such municipal bond insurance.

Section 10. Official Actions. The Mayor, the City Manager, the Assistant City Manager, the Finance Director, the City Attorney, the City Clerk and all other officers of the City are each authorized and directed in the name and on behalf of the City to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after its adoption.

* * * * *

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Brisbane at its meeting of June 1, 2023, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

EXHIBIT A**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the City's Municipal Advisor and the Underwriter which has been represented to have been provided in good faith:

(A) <u>True Interest Cost of the Bonds:</u>	4.25%
(B) <u>Finance Charges:</u>	\$179,750
(C) <u>Net Proceeds to be Received:</u> (net of finance charges)	\$5,880,610
(D) <u>Total Payment Amount through Maturity:</u>	\$8,879,083

The foregoing estimates constitute good faith estimates only.

The principal amount of the Bonds, the true interest cost of the Bonds, 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 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds 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 sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates with respect to the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY**

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS
BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY LEASE REVENUE BONDS, SERIES 2023, TO FINANCE
THE COSTS OF TENANT IMPROVEMENTS TO, AND RELATED EQUIPMENT
AND FURNISHINGS FOR, A BUILDING AT 25 PARK PLACE, BRISBANE,
CALIFORNIA, LEASED BY THE CITY OF BRISBANE AND USED FOR
MUNICIPAL PURPOSES, APPROVING THE FORM AND AUTHORIZING
EXECUTION OF RELATED DOCUMENTS AND APPROVING RELATED
OFFICIAL ACTIONS**

RESOLVED, by the Board of Directors (the "Board") of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority"), San Mateo County, State of California, as follows:

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the "JPA Act"), the City of Brisbane, California (the "City") and the Guadalupe Valley Municipal Improvement District entered into a joint exercise of powers agreement, dated September 18, 2014, as amended on October 2, 2014 (the "Agreement") pursuant to which the Authority was created;

WHEREAS, the Authority is authorized by the Agreement to issue bonds, notes or other evidences of indebtedness or other agreements for all purposes permitted by the JPA Act and described in the Agreement;

WHEREAS, the City proposes to finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes (the "2023 Project");

WHEREAS, it is proposed that the 2023 Project will be financed from the proceeds of Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the "Bonds"), to be issued by the Authority under the provisions of Article 4 (commencing with section 6584) of the JPA Act (the "Bond Law"), and pursuant to the terms of an indenture of trust, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture");

WHEREAS, in order to provide for the repayment of the Bonds, the City will lease certain City-owned property and the site thereof (collectively, the "Property") to the Authority pursuant to a site and facility lease (the "Site and Facility Lease") and the Authority will lease the Property back to the City pursuant to a lease agreement (the "Lease Agreement") under

which the City will agree to make lease payments to the Authority from moneys in the City's General Fund and the City will budget and appropriate sufficient amounts in each year to pay the lease payments which will be equal to the scheduled principal of and interest on the Bonds;

WHEREAS, the proposed form of a preliminary official statement (the "Preliminary Official Statement") describing the Bonds, to be used in connection with the marketing of the Bonds, has been prepared and has been presented to the Board;

WHEREAS, Oppenheimer & Co. Inc. (the "Underwriter"), has proposed to purchase and underwrite the Bonds and has presented to the Authority and the City a form of bond purchase agreement for the Bonds, to be entered into among the Authority, the City and the Underwriter (the "Bond Purchase Agreement");

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority; and

WHEREAS, pursuant to section 5852.1 of the Government Code, which became effective on January 1, 2018, by the enactment of Senate Bill 450, certain information relating to the Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY AS FOLLOWS:

Section 1. Findings. The Board hereby finds that significant public benefits will arise from the financing contemplated by the Bonds and the documents related thereto in accordance with section 6586 of the California Government Code.

Section 2. Issuance of Bonds. Pursuant to the Bond Law and the Indenture, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued and secured in accordance with the terms of and shall be in the form set forth in the Indenture.

Section 3. Approval of Indenture. The Board hereby approves the Indenture, in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Chairperson, the Executive Director, the Assistant Executive Director or the Treasurer/Auditor of the Authority (each, a "Designated Officer"), and the execution thereof by a Designated Officer shall be conclusive evidence of such approval. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Indenture for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Indenture. The dated date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption, series designations and other terms of the Bonds shall be as provided in the Indenture, as finally executed.

Section 4. Approval of Site and Facility Lease. The Board hereby approves the Site and Facility Lease, in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by any Designated Officer, and the execution thereof by a Designated Officer shall be conclusive evidence of such approval. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Site and Facility Lease for and in the name of the

Authority. The Board hereby authorizes the delivery and performance of the Site and Facility Lease.

Section 5. Approval of Lease Agreement. The Board hereby approves the Lease Agreement, in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by any Designated Officer, and the execution thereof by a Designated Officer shall be conclusive evidence of the approval of any such changes or additions. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Lease Agreement for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Lease Agreement.

Section 6. Sale of Bonds. The Board hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter pursuant to the Bond Purchase Agreement, in the form on file with the Secretary, together with such additions thereto and changes therein as any Designated Officer shall deem necessary, desirable or appropriate, and the execution thereof by a Designated Officer shall be conclusive evidence of the approval of such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Bond Purchase Agreement for and in the name of the Authority; provided that (a) the amount of Underwriter's discount for the Bonds shall be not more than 0.75% of the par amount thereof, (b) the principal amount of the Bonds is not greater than \$5,500,000, (c) the true interest cost of the Bonds does not exceed 4.50% and (d) the term of the Bonds does not extend beyond May 1, 2043.

Section 7. Official Statement. The Board hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the Preliminary Official Statement in the form on file with the Secretary. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the Authority's determination that the Preliminary Official Statement is nearly final within the meaning of the Rule. Distribution of the Preliminary Official Statement in connection with the sale of the Bonds is hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed, upon consultation with Disclosure Counsel and counsel to the Authority, to approve any changes in or additions to the Preliminary Official Statement deemed necessary or desirable to bring it into the form of a final official statement (the "Final Official Statement"), and the execution of the Final Official Statement by any Designated Officer shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the Authority by any of the Designated Officers.

Section 8. Official Actions. The Chairperson, the Executive Director, the Assistant Executive Director, the Treasurer/Auditor, and the Secretary are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, and to execute any and all certificates (including the Continuing Disclosure Certificate referenced in the Final Official Statement), requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents (including any agreement needed to obtain bond insurance for the Bonds if in the judgment of the Treasurer/Auditor, upon consultation with the Municipal Advisor, such insurance is cost effective), which they or any of them deem necessary or appropriate in order to consummate the sale and issuance of the Bonds and any of the other transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf

of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 9. Effective Date. This Resolution shall take effect from and after its adoption.

* * * * *

I hereby certify that the foregoing Resolution was adopted by the Board of Directors of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority at a regular meeting of the Board of Directors held on June 1, 2023, by the following vote:

Ayes: _____
Boardmembers: _____

Noes: Boardmembers: _____

Absent: _____ Boardmembers: _____

Secretary

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Authority's Municipal Advisor and underwriter which has been represented to have been provided in good faith:

(A) <u>True Interest Cost of the Bonds:</u>	4.25%
(B) <u>Finance Charges:</u>	\$179,750
(C) <u>Net Proceeds to be Received:</u> (net of finance charges)	\$5,880,610
(D) <u>Total Payment Amount through Maturity:</u>	\$8,879,083

The foregoing estimates constitute good faith estimates only.

The principal amount of the Bonds, the true interest cost of the Bonds, 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 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates with respect to the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

AFTER RECORDATION RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SITE AND FACILITY LEASE

Dated as of June 1, 2023

by and between the

CITY OF BRISBANE, CALIFORNIA, as Lessor

and the

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY, as Lessee**

Relating to:

\$_____

Brisbane/Guadalupe Valley Municipal
Improvement District Financing Authority
Lease Revenue Bonds, Series 2023

SITE AND FACILITY LEASE

This SITE AND FACILITY LEASE, dated as of June 1, 2023, is by and between the CITY OF BRISBANE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "City"), as lessor, and the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY, a joint exercise of powers entity, organized and existing under and by virtue of the laws of the State of California, as lessee (the "Authority"):

R E C I T A L :

WHEREAS, the Authority intends to assist the City by leasing certain real property and improvements to the City pursuant to a Lease Agreement, dated as of June 1, 2023, by and between the City and the Authority, and recorded concurrently herewith by memorandum thereof (the "Lease Agreement"), and the City proposes to enter into this Site and Facility Lease with the Authority as a material consideration for the Authority's agreement to lease such real property and improvements to the City.

A G R E E M E N T :

NOW, THEREFORE, it is hereby mutually agreed as follows:

Section 1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site and Facility Lease shall have the respective meanings specified in that certain Indenture of Trust, dated as of June 1, 2023, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, in connection with the issuance by the Authority of its Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority of its \$_____ Lease Revenue Bonds, Series 2023 (the "Bonds").

Section 2. Site and Facility Lease. The City hereby leases to the Authority and the Authority hereby leases from the City, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in San Mateo County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Site"), and certain existing facilities on the Site, more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the date of recordation of this Site and Facility Lease in the Office of the County Recorder of San Mateo County, State of California, and shall end on May 1, 2043, unless such term is extended or sooner terminated as hereinafter provided. If, on May 1, 2053, the aggregate amount of Lease Payments shall not have been paid, or provision shall not have been made for their payment, then the term of this Site and Facility Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment. If, prior to May 1, 2052, all Lease Payments shall be fully paid, or provision made for such payment in accordance with Section 4.3 or 4.4 of the Lease Agreement, the term of this Site and Facility Lease shall end.

Section 4. Rental. The City acknowledges receipt from the Authority as and for rental hereunder the sum of one dollar (\$1.00), on or before the date of delivery of this Site and Facility Lease.

Section 5. Purpose. The Authority shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to the City pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the City under the Lease Agreement, the Authority and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. City's Interest in the Site and the Facility. The City covenants that it is the owner of fee title to the Site and the Facility.

Section 7. Assignments; Subleases; Amendments. Unless the City shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement and the Indenture, without the written consent of the City. This Site and Facility Lease may be amended, if required, pursuant to the provisions of Section 8.3 of the Lease Agreement.

Section 8. Right of Entry. The City reserves the right, for any of its duly authorized representatives, to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Authority agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same was in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site and the Facility at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in the City.

Section 10. Default. In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided, however*, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Authority to the Trustee under the Indenture shall continue to be paid to the Trustee.

Section 11. Quiet Enjoyment. The Authority, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy the Site and the Facility subject to the provisions of the Lease Agreement and the Indenture.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Authority are solely liabilities of the Authority and the City hereby releases each and every member, Board member, officer, employee and agent of the Authority of and from any personal or individual liability under this Site and Facility Lease. No member, Board member, officer, employee or agent of the Authority shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Authority hereunder.

Section 13. Taxes. The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements).

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is

hereby determined to be the amount of the then unpaid Bonds including the unpaid principal and interest with respect to any such Bonds then outstanding and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the City.

Section 15. Use of the Proceeds. The City and the Authority hereby agree that the lease to the Authority of the City's right, title and interest in the Site and the Facility pursuant to Section 2 serves the public purposes of the City. The City hereby agrees that the proceeds of the Bonds shall be used solely for the purpose of financing the costs associated with the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City, subject to the provisions of the Indenture.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the City, to the Finance Director, City of Brisbane, 50 Park Place, Brisbane, CA 94005, and if to the Authority, to the Finance Director, c/o the City of Brisbane, 50 Park Place, Brisbane, CA 94005, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. 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 Site and Facility Lease.

Section 19. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State.

Section 20. Execution in Counterparts. This Site and Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same instrument.

[Remainder of page is intentionally left blank]

IN WITNESS WHEREOF, the City and the Authority have caused this Site and Facility Lease to be executed by their respective authorized representatives thereunto duly authorized, all as of the day and year first above written.

CITY OF BRISBANE

By _____
Clayton L. Holstine
City Manager

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY

By: _____
Clayton L. Holstine
Executive Director

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to herein is situated in the State of California, County of San Mateo, City of Brisbane, and described as follows:

Site of Mission Blue Community Center, 475 Mission Blue Drive, Brisbane, CA

Lot 71, Northeast Ridge Unit No. 1, filed May 30, 1995, Map Book 125, Pages 28 through 62, inclusive, San Mateo County Records.

APN: 005-440-020 and 005-440-010

Site of Municipal Pool, 2 Solano Street, Brisbane, CA

Portion of lands of Brisbane Elementary School District as Granted by Crocker Estate Company and by Deed as recorded May 23, 1951 in Volume 2077, Page 430 of Deeds, Records of San Mateo County, California and lying within the County of San Mateo, description as follows:

Parcel A:

Point of beginning which marks the intersection of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street as designated on that certain Map entitled "Amended Map of Subdivision Number 1, 2, 3 of City of Visitation, (Brisbane) California", which was filed for Record on October 14, 1908 in the Office of the Recorder of San Mateo County, State of California in Book 6 of Maps at Page 45, commencing at said point of intersection along the Northerly boundary line of the above mentioned subdivision South 89° 35' 50" West 496.68 feet; thence leaving said boundary North 50° 38' 00" East 314.30 feet; thence North 39° 16' 00" West 48.06 feet; thence North 41° 00' 00" East 7.09 feet; thence South 70° 45' 00" East 26.84 feet; thence South 62° 15' 00" East 175.00 feet; thence South 03° 56' 46" West 29.62 feet; thence South 64° 20' 30" East 53.95 feet, to a tangent curve concave to the Southwest having a central angle of 57° 04' 14" and a radius 100 feet; thence along the arc of said curve an arc distance of 99.61 feet; thence non-tangent from said curve South 10° 25' 40" West more or less to the point of beginning.

Containing 1.44 acres more or less.

Parcel A-1:

A right of way for ingress and egress purposes over a strip of land lying Northerly and adjacent to the above described Parcel A as follows:

Point of beginning being at the intersections of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street; thence North 10° 25' 40" East 17.99 feet to a non-tangent curve concave to the Southwest having a central angle of 57° 04' 14" and a radius 100 feet a radial to said point bears North 82° 43' 44" East; thence along the arc of said curve an arc distance of 99.81 feet; thence tangent from said curve North 64° 20' 30" West 53.95 feet; thence North 03° 56' 46" East 29.62 feet; thence North 62° 15' 00" West 175.00 feet; thence North 70° 45' 00" West 26.84 feet; thence North 15° 15' 00" East 25.00 feet; thence South 70° 45' 00" East 28.70 feet; thence South 62° 15' 00" East 243.03 feet; thence to a tangent curve concave to the Southwest having a central angle of 61° 50' 50" and a radius of 150 feet; thence along the arc of said curve an arc distance of 161.92 feet; thence tangent from said curve South 00° 24' 10" East 7.34 feet; thence South 89° 35' 50" West 51.81 feet more or less to the point of beginning.

Containing 0.35 acres, more or less.

APN: 005-166-020

Parcel B

All that certain real property situate in the City of Brisbane, County of San Mateo, State of California being a portion of that certain real property described in that certain Grant Deed from Crocker Estate Company to Brisbane Elementary School District recorded in Volume 2077 at page 430, San Mateo County Official Records and being more particularly described as follows:

Beginning at the Southeasterly corner of said Lands of the Brisbane Elementary School District:

Thence along the Easterly boundary of said Lands of Brisbane Elementary School District, being the Southerly boundary of Parcel 'A' as said Parcel is shown on the certain Parcel Map recorded on June 13, 1978 in Book 42 of Parcel Maps at Pages 44 and 45, San Mateo County Records North 00°50'48" East a distance of 156.81 feet (said Grant Deed indicates North 0°24'13" West 156.89 feet);

Thence along the Northerly line of said Lands of Brisbane Elementary School District being the Southerly line of said Parcel 'A' North 63°12'12" West a distance of 351.73 feet (said Grant Deed indicates North 64°27'10" West);

Thence leaving said Northerly line of the Lands of Brisbane Elementary School District in a Southwesterly direction South 28°59'58" West a distance of 94.65 feet;

Thence South 51°52' 58 West a distance of 361.41 feet to the Southerly line of said Lands of Brisbane Elementary School District:

Thence along said Southerly line of the Lands of Brisbane Elementary School District South 89° 09'12" East a distance of 94.48 feet (said Grant Deed indicates South 89° 35' 50" West) to the Southwesterly corner of the Lands of the City of Brisbane as said lands are described in that certain Grant Deed from the Brisbane School District to the City of Brisbane recorded in Reel 7713 Page 825 and 826, San Mateo County Records;

Thence along the Westerly line of said Lands of the City of Brisbane North 51°52' 58° East a distance of 314.30 feet (aforementioned Grant Deed indicates North 50°38' 00" East);

Thence North 38°01' 02" West a distance of 48.06 feet (aforementioned Grant Deed indicates North 39° 16' 00" West);

Thence North 42°14' 58" East a distance of 7.09 feet (aforementioned Grant Deed indicates North 41°00' 00" East);

Thence South 69° 30' 02" East a distance of 26.84 feet (aforementioned Grant Deed indicates South 70°45' 00" East);

Thence South 61°00' 02" East a distance of 175.00 feet (aforementioned Grant Deed indicates South 62°15' 00" East);

Thence South 5° 11' 44" West a distance of 29.62 feet (aforementioned Grant Deed indicates South 3° 56' 46" West);

Thence South 63° 05' 32" East a distance of 53.95 feet (aforementioned Grant Deed indicates South 64° 20' 30" East);

Thence along a tangent curve concave to the Southwest having a radius of 100.00 feet and a central angle of 57° 04' 14", an arc length of 99.61 feet;

Thence South 11° 39' 26" West a distance of 17.99 feet (aforementioned Grant Deed indicates South 10° 25' 40" West) to a point which marks the intersection of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street as designated on that certain Map entitled "Amended Map of subdivision

Number 1, 2, 3 of City of Visitation, (Brisbane) California, which was filed for Record on October 14, 1908 in Book 6 of Maps at page 45, San Mateo County Records;

Thence along the Northerly line of said San Francisco Avenue South 89° 09'12" East a distance of 50.77 feet to the point of beginning.

Containing 1.264 Acres, more or less.

APN: 005-166-040

Site of Old Community Center, 250 Visitation Avenue, Brisbane, CA

Lots 3 and 4, Block 13, as designated on the map entitled "Amended Map of Subdivisions Nos. 1, 2 and 3, of City of Visitation, California", which map was filed in the Office of the Recorder of the County of San Mateo, State of California on October 14, 1908 in Book 6 of Maps at Page 45.

APN: 007-272-020

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of

Mission Blue Community Center, 475 Mission Blue Drive, Brisbane, CA. Built in 2000, this 6,000 square foot facility has seating for up to 200 dining guests is located in the Northeast Ridge district and offers panoramic views of San Bruno Mountain and the San Francisco Bay and is available for event rentals.

Municipal Pool, 2 Solano Street, Brisbane, CA. Built in 2000 in part by funds from the Northeast Ridge Development, the pool is a 75-foot length outdoor pool (total 4,200 sq. ft.) with a zero-depth entry pool for disability access, using solar and conventional heating. The pool is surrounded by landscaping and sheltered stations which can be rented for gatherings.

Old Community Center, 250 Visitacion Avenue, Brisbane, CA. Built in 1979, this two-story facility is located in Downtown Brisbane with a total size of approximately 5,500 square feet. The top floor is approximately 2,000 square feet and can be rented out for events, seating up to 70 guests.

LEASE AGREEMENT

Dated as of June 1, 2023

by and between the

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY, as Lessor**

and the

CITY OF BRISBANE, CALIFORNIA, as Lessee

Relating to:

\$_____

Brisbane / Guadalupe Valley Municipal
Improvement District Financing Authority
Lease Revenue Bonds, Series 2023

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EXHIBIT A:	DESCRIPTION OF THE SITE
EXHIBIT B:	DESCRIPTION OF THE FACILITY
EXHIBIT C:	SCHEDULE OF LEASE PAYMENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement"), dated for convenience as of June 1, 2023, is by and between the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California, as lessor (the "Authority"), and the CITY OF BRISBANE, CALIFORNIA, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California, as lessee (the "City").

R E C I T A L S :

WHEREAS, pursuant to that certain Site and Facility Lease, dated as of June 1, 2023 (the "Site and Facility Lease"), the City has leased those certain parcels of real property situated in San Mateo County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Site"), and certain existing facilities on the Site, more particularly described in Exhibit B attached hereto and made a part hereof (the "Facility" and, with the Site, the "Property"), all for the purpose of enabling the City to finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City (the "2023 Project");

WHEREAS, in order to provide the revenues necessary to enable the Authority to pay debt service on the Bonds (hereinafter defined) as it becomes due, the Authority proposes to lease the Property to the City pursuant to this Lease Agreement and to assign its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the City, to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to that certain Indenture of Trust, dated as of June 1, 2023, by and between the Authority and the Trustee (the "Indenture"), and pursuant to which the Authority will issue and the Trustee will authenticate and deliver its Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023, in the aggregate principal amount of \$_____ (the "Bonds"); and

WHEREAS, the Authority and the City have duly authorized the execution and delivery of this Lease Agreement.

A G R E E M E N T :

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms used in this Lease Agreement have the respective meanings given them in Section 1.01 of the Indenture.

Section 1.2. Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement:

- EXHIBIT A: DESCRIPTION OF THE SITE
- EXHIBIT B: DESCRIPTION OF THE FACILITY
- EXHIBIT C: SCHEDULE OF LEASE PAYMENTS

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Authority. The Authority makes the following covenants, representations and warranties as the basis for its undertakings herein contained:

(a) *Organization/Authority*. The Authority is a joint exercise of powers entity duly organized and existing under the laws of the State and is duly authorized to issue the Bonds and to perform its obligations under the Site and Facility Lease and this Lease Agreement.

(b) *Enforceability*. All requirements have been met and procedures have occurred in order to authorize the execution and delivery by the Authority of the Site and Facility Lease, this Lease Agreement and the Indenture. The Authority has taken all necessary action and has complied with all provisions of the law required to make the Site and Facility Lease, this Lease Agreement and the Indenture valid and binding limited obligations of the Authority, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) *Limited Obligation of the Authority*. The Bonds have been duly authorized, executed and delivered by the Authority. Nothing in the Site and Facility Lease, this Lease Agreement or the Indenture shall be construed as requiring the Authority to provide any financing for any purpose other than the financing of the 2023 Project.

(d) *No Litigation*. To the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Authority that (i) affects or seeks to prohibit, restrain or enjoin the issuance, execution or delivery of the Bonds, the application of the proceeds of the Bonds, or the execution and delivery of the Site and Facility Lease, this Lease Agreement or the Indenture, or (ii) affects or questions the validity or enforceability of the Bonds or the Site and Facility Lease, this Lease Agreement and the Indenture.

Section 2.2. Representations, Covenants and Warranties of the City. The City makes the following covenants, representations and warranties to the Authority as of the date of the execution and delivery of this Lease Agreement:

(a) *Organization/Authority*. The City is a municipal corporation and general law city duly organized and in good standing under the laws of the State and has full legal right, power and authority to enter into the Site and Facility Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby and by proper action has duly authorized the execution, delivery and performance by the City of the Site and Facility Lease and this Lease Agreement.

(b) *Execution/Delivery*. The Site and Facility Lease and this Lease Agreement have been duly authorized, executed and delivered by the City.

(c) *Enforceability.* The Site and Facility Lease and this Lease Agreement constitute the legal, valid and binding agreements of the City enforceable against the City by the Trustee in accordance with their respective terms for the benefit of the Owners, and any rights of the Authority and obligations of the City not so assigned to the Trustee constitute the legal, valid, and binding agreements of the City enforceable against the City by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(d) *No Conflicts.* The execution and delivery of the Site and Facility Lease and this Lease Agreement, the consummation of the transactions on the part of the City herein and therein contemplated and the fulfillment of or compliance by the City with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City (other than as contemplated hereby and by the Site and Facility Lease), which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site and Facility Lease and this Lease Agreement, or the financial condition, assets, properties or operations of the City.

(e) *No Other Consents.* No consent or approval of any trustee or holder of any indebtedness of the City or any guarantor of indebtedness of or other provider of credit or liquidity to the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or "blue sky" laws) is necessary in connection with the execution and delivery by the City of the Site and Facility Lease and this Lease Agreement, or the consummation of any transaction of the City herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the City, after reasonable investigation, threatened, against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by or the validity of the Site and Facility Lease and this Lease Agreement, or upon the financial condition, assets, properties or operations of the City.

(g) *Disclosures Accurate.* No official statement or other offering document in connection with the issuance of the Bonds, as of its date or as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) *Financial Condition.* All financial statements and information heretofore delivered to the Original Purchaser by City, including without limitation, information relating to the financial condition of City, fairly and accurately present the financial position thereof and have been prepared (except where specifically noted therein) in accordance with generally accepted accounting principles consistently applied. Since the date of such statements, there has been no material adverse change in the financial condition or results of operations of the City or the other subjects of such statements.

(i) *Title to Property.* The City has good and marketable title to the Property free and clear from all encumbrances other than Permitted Encumbrances.

(j) *No Defaults.* The City is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) (i) under the Site and Facility Lease and this Lease Agreement, or (ii) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default could reasonably be expected to have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site and Facility Lease or the Indenture, or the financial condition, assets, properties or operations of the City.

ARTICLE III

ISSUANCE OF BONDS; ACQUISITION AND CONSTRUCTION OF THE 2023 PROJECT

Section 3.1. The Bonds.

(a) The Authority has authorized the issuance of the Bonds pursuant to the Indenture in the aggregate principal amount of _____ dollars (\$_____). The Authority agrees that the proceeds of sale of the Bonds shall be paid to the Trustee on the Closing Date for deposit and application pursuant to the terms and conditions of the Indenture.

(b) The City hereby approves the Indenture, the assignment to the Trustee of the rights (but none of the obligations) of the Authority assigned or purported to be assigned thereunder, and the issuance of the Bonds by the Authority thereunder.

Section 3.2. Plans and Specifications for the 2023 Project. Before any payment is made for the 2023 Project or any component thereof from amounts on deposit in the Project Fund, the City shall have filed with the Authority detailed Plans and Specifications relating thereto. The City may from time to time file amendments to such Plans and Specifications with the Authority and may thereby change or modify the description of the 2023 Project or any component thereof.

Section 3.3. Acquisition and Construction of the 2023 Project. The Authority hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided, for the Acquisition and Construction of the 2023 Project in accordance with Plans and Specifications, purchase orders, construction contracts and other documents relating thereto and approved by the City pursuant to all applicable requirements of law. Direct payment of the Project Costs shall be made from amounts on deposit in the Project Fund, pursuant to Section 3.03 of the Indenture. All contracts for, and all work relating to, the Acquisition and Construction of the 2023 Project shall be subject to all applicable provisions of law relating to the acquisition and construction of public works by the City. The Authority expects that the Acquisition and Construction of the 2023 Project will be completed on or before June 1, 2025; *provided, however*, that the failure to complete the 2023 Project by the estimated Completion Date thereof shall not constitute an Event of Default hereunder or a grounds for termination hereof, nor shall such failure result in the diminution, abatement or extinguishment of the obligations of the City hereunder to pay the Lease Payments allocable to the 2023 Project.

The City shall have the right from time to time in its sole discretion to amend the description of the 2023 Project to be financed and leased by the Authority hereunder.

Upon the completion of the Acquisition and Construction of the 2023 Project, the amounts, if any, on deposit in the Project Fund shall be transferred by the City to the Trustee for deposit in the Bond Fund and the City shall close the Project Fund.

Section 3.4. Grant of Easements. The City hereby grants to the Authority all necessary easements, rights of way and rights of access in and to all real property or interests therein now or hereafter acquired and owned by the City, as may be necessary or convenient to enable the Authority to acquire, construct and install the 2023 Project thereon or thereabouts.

The City covenants that it will execute, deliver and record any and all additional documents as may be required to be executed, delivered and recorded to establish such easements, rights of way and rights of access.

Section 3.5. Appointment of City as Agent of Authority. The Authority hereby appoints the City as its agent to carry out all phases of the Acquisition and Construction of the 2023 Project pursuant to and in accordance with the provisions hereof. The City hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the Acquisition and Construction of the 2023 Project. The Authority, or the City as agent of the Authority hereunder, shall enter into, administer and enforce all purchase orders or other contracts relating to the Acquisition and Construction of the 2023 Project. All contracts for, and all work relating to, the Acquisition and Construction of the 2023 Project shall be subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of like project and property by joint powers authorities and by municipal corporations.

ARTICLE IV

LEASE OF PROPERTY; TERM OF THE LEASE AGREEMENT; LEASE PAYMENTS

Section 4.1. Lease of Property. The Authority hereby leases the Property to the City, and the City hereby leases the Property from the Authority, upon the terms and conditions set forth in this Lease Agreement.

Section 4.2. Term of Lease. This Lease Agreement shall take effect on the date hereof, and shall end on the earlier of May 1, 2052, or such earlier date on which the Bonds shall no longer be Outstanding under the Indenture. If, on May 1, 2043, the Indenture shall not be discharged by its terms or if the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Term of the Lease Agreement shall be extended until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the Term of the Lease Agreement extend beyond May 1, 2053.

Section 4.3. Lease Payments.

(a) *Obligation to Pay*. In consideration of the lease of the Property from the Authority hereunder and subject to the provisions of Section 6.2, the City agrees to pay to the Authority, its successors and assigns, as rental for the use and occupancy of the Property during each Fiscal Year, the Lease Payments (denominated into components of principal and interest) for the Property in the respective amounts specified in Exhibit C hereto, to be due and payable on the respective Lease Payment Dates specified in Exhibit C hereto. Any amount held in the Revenue Fund, the Interest Account or the Principal Account on any Lease Payment Date, derived from any source of funds of the City or the Authority, shall be credited towards the Lease Payment then due and payable. The Lease Payments coming due and payable in any Fiscal Year shall be for the use of the Property for such Fiscal Year.

The City's obligation to pay Lease Payments hereunder shall be absolute and unconditional subject only to abatement, in the event and to the extent that there is substantial interference with the use and occupancy of the property or any portion thereof, as provided in Section 6.2.

(b) *Rate on Overdue Payments*. In the event the City should fail to make any of the payments required in this Section 4.3, the payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest borne by any Outstanding Bond. Such interest, if received, shall be deposited in the Revenue Fund.

(c) *Fair Rental Value*. The Lease Payments and Additional Payments coming due and payable in each Fiscal Year shall constitute the total rental for the Property for each Fiscal Year and shall be paid by the City in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of, the Property during each Fiscal Year. The Authority and the City hereby agree and determine that the total Lease Payments do not exceed the fair rental value of the Property. In making such determination, consideration has been given to the obligations of the parties under this Lease

Agreement, the value of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

(d) *Source of Payments; Budget and Appropriation.* The Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of Section 6.2. The City covenants to take such action as may be necessary to include all Lease Payments due hereunder in each of its budgets during the Term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such official to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City. During the Term of the Lease Agreement, the City shall furnish to the Authority and the Trustee, no later than ten days following the adoption of a budget for the current Fiscal Year, a certificate stating that the Lease Payments due in that Fiscal Year have been included in the budget approved by the City Council for such Fiscal Year.

(e) *Assignment.* The City understands and agrees that all Lease Payments have previously been assigned by the Authority to the Trustee in trust, pursuant to Section 5.01 of the Indenture, for the benefit of the Owners of the Bonds, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay all of the Lease Payments to the Trustee at its Office.

(f) *Security Deposit.* Notwithstanding any other provision of this Lease Agreement, the City may on any date secure the payment of the Lease Payments for the Property in whole or in part by depositing with the Trustee an amount of cash which, together with other available amounts, including but not limited to amounts on deposit in the Revenue Fund, is either (i) sufficient to pay such Lease Payments, including the principal and interest components thereof, and premium, if any, in accordance with the Lease Payment schedule set forth in Exhibit C, or (ii) invested in whole or in part in Defeasance Obligations in such amount as will, in the opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due hereunder, as the City shall instruct at the time of said deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement.

Section 4.4. Prepayment Option. The Authority hereby grants an option to the City to prepay the principal component of the Lease Payments in full, or in part, without premium.

Said option may be exercised with respect to Lease Payments due on and after April 15, ____, in whole or in part on any date commencing April 15, ____. Said option shall be exercised by the City by giving written notice to the Authority and the Trustee of the exercise of such option at least thirty (30) days prior to said Lease Payment Date. Such option shall be exercised in the event of prepayment in full, by depositing with said notice cash in an amount, which, together with amounts then on deposit in the Insurance and Condemnation Fund and the Revenue Fund, will be sufficient to pay the aggregate unpaid Lease Payments on said Lease Payment Date as set forth in Exhibit C hereto, together with any Lease Payments then due but unpaid, or, in the event of prepayment in part, by depositing with said notice cash equal to the amount desired to be prepaid (the principal component of which shall be an amount divisible by \$5,000) together with any Lease Payments then due

but unpaid. In the event of prepayment in part, the partial prepayment shall be applied against Lease Payments in such manner and shall be applied to redeem Bonds as the City shall determine and if the City shall fail to make such determination, pro rata. Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the City to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit C attached hereto taking into account said partial prepayment.

Section 4.5. Quiet Enjoyment. During the Term of the Lease Agreement, the Authority shall provide the City with quiet use and enjoyment of the Property, and the City shall, during such Term, peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority shall have the right to inspect the Property as provided in Section 7.2.

Section 4.6. Title. If the City pays all of the Lease Payments and Additional Payments during the Term of the Lease Agreement as the same become due and payable, or if the City posts a security deposit for payment of the Lease Payments pursuant to Section 4.3(f), and if the City has paid in full all of the Additional Payments coming due and payable as of such date, and provided in any event that no Event of Default shall have occurred and be continuing, all right, title and interest of the Authority in and to the Property shall be transferred to and vested in the City. The Authority agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

Section 4.7. Additional Payments. In addition to the Lease Payments, the City shall pay when due the following Additional Payments:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the City shall have the right to protest any such taxes or assessments and to require the Authority or the Trustee, at the City's expense, to protest and contest any such taxes or assessments levied upon them and that the City shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee;

(b) All reasonable fees, charges and expenses of the Trustee for services rendered under the Indenture as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Site and Facility Lease, this Lease Agreement or the Indenture; and

(d) The reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Site and Facility Lease, this Lease Agreement or the Indenture or the Bonds, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation, investigation or other proceeding which may at any time be instituted involving the Site and Facility Lease, this Lease Agreement or the Indenture or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the City, its properties, assets or operations or otherwise in connection with the administration of the Site and Facility Lease, this Lease Agreement or the Indenture.

(e) Any amounts due and payable by the City as arbitrage rebate under section 148 of the Code with respect to the Bonds, pursuant to City's covenants and agreements with respect thereto in Section 6.08 of the Indenture and Section 5.10(c) hereof.

Such Additional Payments shall be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Authority or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the City within thirty (30) days after the date of invoice. Notwithstanding the foregoing, the Authority shall not be required to submit a bill to the City for any amounts due with respect to arbitrage rebate under Section 6.08 of the Indenture, the calculation and payment for which is the responsibility of the City.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of the Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Property which may include, without limitation, janitor service, security, power, gas, phone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or lessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Property, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of this Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Lease Agreement as and when the same become due.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the reasonable opinion of the Authority, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 5.2. Modification of Property. The City shall, at its own expense, have the right to make additions, modifications and improvements to the Property. All additions, modifications and improvements to the Property shall thereafter comprise part of the Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Property or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law; and the City shall file with the Trustee and the Authority a Written Certificate of the City stating that the Property, upon completion of any additions, modifications and improvements made thereto pursuant to this Section 5.2, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section 5.2; provided that if any such lien is established and the City shall first notify or cause to be

notified the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

Section 5.3. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained throughout the Term of the Lease Agreement, a standard comprehensive general insurance policy or policies in protection of the Authority, the City, and their respective Board members, Council members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$100,000 (subject to a deductible clause of not to exceed \$250,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and such liability insurance may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.7, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied by the City toward extinguishment or satisfaction of the liability with respect to which they are paid.

Section 5.4. Fire and Extended Coverage Insurance. The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease Agreement, insurance against loss or damage to the improvements constituting a part of the Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance, when required, shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount at least equal to the lesser of (a) one hundred percent (100%) of the replacement cost of all of the insured improvements, or (b) the aggregate principal amount of the outstanding Bonds. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided however, that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance shall be applied as provided in Section 6.1(a).

Section 5.5. Rental Interruption Insurance. The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future twenty-four (24) month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City and may be maintained in

whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained in the form of self-insurance except for a time element deductible not to exceed sixty (60) days in duration. The proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Revenue Fund, and shall be credited towards the payment of the Lease Payments as the same become due and payable.

Section 5.6. Recordation Hereof; Title Insurance. On or before the Closing Date the City shall, at its expense, (a) cause the Site and Facility Lease and this Lease Agreement, or a memorandum hereof or thereof, in each case in form and substance approved by Bond Counsel, to be recorded in the office of the San Mateo County Recorder, and (b) obtain a CLTA policy of title insurance which insures the City's leasehold estate in the Property in an amount equal to the aggregate initial principal amount of the Bonds. All Net Proceeds received under said policy shall be deposited with the Trustee in the Redemption Fund and shall be deposited in the Insurance and Condemnation Fund.

Section 5.7. Net Proceeds of Insurance; Form of Policies. Each policy of insurance maintained pursuant to Sections 5.4, 5.5 and 5.6 shall name the Trustee as loss payee so as to provide that all proceeds thereunder shall be payable to the Trustee. All required insurance policies shall be provided by a commercial insurer in one of the two highest rating categories by a Nationally Recognized Statistical Rating Organization (without regard to designations of plus (+) or minus (-)). The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All such policies shall provide that the Trustee shall be given thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency or amount of any insurance or self-insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered to the Trustee annually, no later than February 1 in each year, a certificate stating that all of the insurance policies required by this Lease Agreement are in full force and effect and identifying whether any such insurance is then maintained in the form of self-insurance.

In the event that any insurance maintained pursuant to Section 5.3 shall be provided in the form of self-insurance, the City shall file with the Trustee annually, within ninety (90) days following the close of each Fiscal Year, a statement of the City risk manager, insurance consultant or actuary identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. In the event that any such insurance shall be provided in the form of self-insurance by the City, the City shall not be obligated to make any payment with respect to any insured event except from such reserves. The results of such review shall be filed with the Trustee.

Section 5.8. Installation of Personal Property. The City may, at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee shall have any interest and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the City from purchasing or leasing items to be installed pursuant to this Section 5.8 under a lease or conditional sale agreement, or subject to a vendor's lien or

security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 5.9. Liens. Neither the City nor the Authority shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to any portion of the Property, other than the respective rights of the Trustee, the Authority and the City as provided herein and Permitted Encumbrances. Except as expressly provided in this Article V, the City and the Authority shall promptly, at their own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.10. Tax Covenants.

(a) *Private Activity Bond Limitation*. The City shall assure that proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition*. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement*. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(d) *No Arbitrage*. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption*. The City shall take all actions necessary to assure the exclusion of interest with respect to the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Section 5.11. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Lease Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default hereunder; *provided, however*, that the Participating Underwriter or any Owner or Beneficial Owner (as defined in the Continuing Disclosure Certificate) of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section 5.11, including seeking mandate or specific performance by court order.

Section 5.12. Payment of Costs of Issuance and Direction of Investments. The City hereby agrees that, pursuant to Section 3.02 of the Indenture, it will direct the payment of Costs of Issuance and that, pursuant to Section 5.07 of the Indenture, it will direct the Investment of funds held by the Trustee, and acknowledges the matters set forth in Section 5.07 of the Indenture.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; ABATEMENT OF
LEASE PAYMENTSSection 6.1. Application of Net Proceeds.

(a) *From Insurance Award.* The Net Proceeds of any insurance award resulting from any damage to or destruction of the Property by fire or other casualty shall be paid by the City to the Trustee and shall be deposited in the Insurance and Condemnation Fund by the Trustee and applied as set forth in Section 5.06 of the Indenture.

(b) *From Eminent Domain Award.* If the Property or any portion thereof shall be taken permanently or temporarily under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds resulting therefrom shall be deposited in the Insurance and Condemnation Fund and applied as set forth in Section 5.06 of the Indenture.

(c) *From Title Insurance Award.* The Net Proceeds of any title insurance award shall be paid to the Trustee, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 5.06 of the Indenture.

Section 6.2. Abatement of Lease Payments.

(a) *Abatement Due to Damage or Destruction of the Property.* The Lease Payments shall be abated during any period in which by reason of damage to or destruction of the Property (other than by eminent domain which is hereinafter provided for) there is substantial interference with the use and occupancy by the City of the Property or any portion thereof. The amount of such abatement shall be an amount agreed upon by the City and the Authority such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged or destroyed and available for use and possession by the City. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction or the date when the remaining portion of the Property is available for use and possession by the City. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage or destruction. There shall be no abatement of the Lease Payments to the extent that moneys derived from any person as a result of such damage or destruction are available to pay the amount which would otherwise be abated or if there is any money available in the Revenue Fund to pay the amount which would otherwise be abated.

(b) *Abatement Due to Eminent Domain.* If all of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease Agreement shall cease with respect to the Property as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (i) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (ii) there shall be a partial abatement of Lease Payments in an amount to be agreed upon by the City and the Authority such that the resulting Lease

Payments for the Property represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS

Section 7.1. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROPERTY, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY. IN NO EVENT SHALL THE AUTHORITY AND ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE SITE AND FACILITY LEASE, THIS LEASE AGREEMENT OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE CITY'S USE OF THE PROPERTY.

Section 7.2. Rights of Access. The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The City further agrees that the Authority, any Authorized Representative of the Authority, and the Authority's successors or assigns, shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the City to perform its obligations hereunder; provided, however, that the Authority's assigns shall not be required to cause such proper maintenance.

Section 7.3. Non-Liability of the Authority. The Authority shall not be obligated to pay the principal of or interest on the Bonds, except from Revenues and other moneys and assets received by the Trustee pursuant to this Lease Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Authority or any member of the Authority is pledged to the payment of the principal or interest on the Bonds. Neither the Authority nor its members, Board members, officers, agents or employees or their successors and assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under, by reason of or in connection with this Lease Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the City under this Lease Agreement.

The City hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be payments made by the City to the Trustee pursuant to this Lease Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the City shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the City, the Authority or any third party, subject to any right of reimbursement from the Authority or any such third party, as the case may be, therefor but solely, in the case of the Authority, from the Revenues.

Section 7.4. Expenses. The City shall pay and indemnify the Authority and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence or willful misconduct) and arising out of or in connection with the Site and Facility Lease, this Lease Agreement, the Indenture and the Bonds. These obligations and those in Section 7.5 shall remain valid and in effect notwithstanding payment of the Lease Payments or the Bonds or termination of this Lease Agreement or the Indenture.

Section 7.5. Indemnification.

(a) To the fullest extent permitted by law, the City agrees to indemnify, hold harmless and defend the Authority, the Trustee, and each of their respective past, present and future officers, members, Board members, officials, officers, directors, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Indenture, the Site and Facility Lease or this Lease Agreement, or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(ii) any act or omission of the City or any of its agents, contractors, servants, employees, tenants) or licensees in connection with the Property, the operation of the Property, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Property or any part thereof;

(iii) any lien or charge upon payments by the City to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Property;

(iv) any violation of any environmental laws or regulations with respect to, or the release of any hazardous substances from, the Property or any part thereof;

(v) the defeasance and/or redemption, in whole or in part, of the Bonds;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made

therein, in the light of the circumstances under which they were made, not misleading; or

(vii) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the City, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the City shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the City if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section 7.5 shall survive the termination of this Lease Agreement.

Section 7.6. Waiver of Personal Liability. No member, Board member, officer, agent or employee of the Authority or any officer, agent or employee of the City shall be individually or personally liable for the payment of any principal of or interest on the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease Agreement, but nothing herein contained shall relieve any such member, Board member, officer, agent or employee from the performance of any official duty provided by law or by this Lease Agreement.

ARTICLE VIII

ASSIGNMENT, LEASING AND AMENDMENT

Section 8.1. Assignment by the Authority. Certain rights of the Authority under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the City under this Lease Agreement, have been pledged and assigned to the Trustee for the benefit of the Owners of the Bonds pursuant to the Indenture, to which pledge and assignment the City hereby consents. The assignment of this Agreement to the Trustee is solely in its capacity as Trustee under the Indenture and the duties, powers and liabilities of the Trustee in acting hereunder shall be subject to the provisions of the Indenture, including, without limitation, the provisions of Article VIII thereof.

Section 8.2. Assignment and Subleasing by the City. This Lease Agreement may not be assigned by the City. The City may sublease the Property or any portion thereof, subject to, and delivery to the Authority and the Trustee of a certificate as to, all of the following conditions:

(a) This Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease (which the Trustee has no duty or obligation to review or examine and in no event shall be responsible for the contents of such sublease);

(c) No such sublease by the City shall cause the Property to be used for a purpose other than as may be authorized under any applicable provisions of the laws of the State; and

(d) The City shall furnish the Authority and the Trustee with a written opinion of Bond Counsel, stating that such sublease is permitted by this Lease Agreement.

Section 8.3. Amendment of Lease.

(a) *Substitution of Site.* The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") for the Site (the "Former Site"), or a portion thereof, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(i) The City shall file with the Authority and the Trustee an amended Exhibit A to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) The City shall file with the Authority and the Trustee an amended Exhibit A to this Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) The City shall certify in writing to the Authority and the Trustee that such Substitute Site serves the purposes of the City, constitutes property that is unencumbered (or the portion of such property to be substituted is unencumbered), subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(iv) The City delivers to the Trustee and the Authority evidence (which may be an officer's certificate of the City) that the Substitute Site (or the portions to be substituted) is of equal or greater value than the Site (or the portions thereof) to be substituted;

(v) The City shall certify the Substitute Site shall not cause the City to violate any of its covenants, representations and warranties made herein;

(vi) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(vii) The City shall certify that the Substitute Site is of the same or greater essentiality to the City as was the Former Site;

(viii) The City shall certify that the Substitute Site has a useful life equal to or longer than the remaining term of the Bonds; and

(ix) The City shall provide notice of such substitution to any rating agency then rating the Bonds.

(b) *Substitution of Facility.* The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute a substitute facility or substitute facilities (a "Substitute Facility") for the Facility (the "Former Facility"), or a portion thereof, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(i) The City shall file with the Authority and the Trustee an amended Exhibit B to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility, if applicable;

(ii) The City shall file with the Authority and the Trustee an amended Exhibit B to this Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iii) The City shall certify in writing to the Authority and the Trustee that such Substitute Facility serves the purposes of the City, constitutes property that is unencumbered (or the portion of such property to be substituted is unencumbered), subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(iv) The City delivers to the Trustee and the Authority evidence (which may be an officer's certificate of the City) that the Substitute Facility (or the portions to be substituted) is of equal or greater value than the property (or the portions thereof) to be substituted;

(v) The City shall certify the Substitute Facility shall not cause the City to violate any of its covenants, representations and warranties made herein;

(vi) The City shall certify that the Substitute Facility is of the same or greater essentiality to the City as was the Former Facility;

(vii) The City shall certify that the Substitute Facility has a useful life equal to or longer than the remaining term of the Bonds; and

(viii) The City shall provide notice of such substitution to any rating agency then rating the Bonds.

(c) *Release of Site.* The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Authority and the Trustee an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The City shall file with the Authority and the Trustee an amended Exhibit A to this Lease Agreement which describes the Site, as revised by such release;

(iii) The City delivers to the Trustee and the Authority evidence (which may be an officer's certificate of the City) that the Site, as revised by such release, including the value of the Facility (other than any portion thereof, or the Site or any portion thereof to be released), has a value at least equal to the principal amount of the Bonds then outstanding;

(iv) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which describes the Site, as revised by such release; and

(v) The City shall provide notice of such release to any rating agency then rating the Bonds.

(d) *Release of Facility.* The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Authority and the Trustee an amended Exhibit B to the Site and Facility Lease which describes the Facility, as revised by such release;

(ii) The City shall file with the Authority and the Trustee an amended Exhibit B to this Lease Agreement which describes the Facility, as revised by such release;

(iii) The City delivers to the Trustee and the Authority evidence (which may be an officer's certificate of the City) that the Facility, as revised by such release,

together with the Site (that remains subject to this Lease Agreement), has a total value at least equal to the principal amount of the Bonds then outstanding; and

(iv) The City shall provide notice of such release to any rating agency then rating the Bonds.

(e) *Generally.* The Authority and the City may at any time amend or modify any of the provisions of this Lease Agreement, subject to Section 6.09 of the Indenture, but only (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments will not materially adversely affect the interests of the Owners of the Bonds; or

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of the Owners of the Bonds of interest on the Bonds under the Code, in the opinion of Bond Counsel.

ARTICLE IX

EVENTS OF DEFAULT; REMEDIES

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Lease Agreement:

(a) Failure by the City to pay any Lease Payment required to be paid hereunder at the time specified herein.

(b) Failure by the City to make any Additional Payment required hereunder and the continuation of such failure for a period of thirty (30) days after notice thereof is given to the City by the Trustee.

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; provided, however, that if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such sixty (60) day period, such failure shall not constitute an Event of Default if the City shall commence to cure such failure within such sixty (60) day period and thereafter diligently and in good faith shall cure such failure in a reasonable period of time which shall last no longer than 120 days after the original written notice.

(d) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of applicable federal bankruptcy law, or under any similar acts which may hereafter be enacted.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 shall have happened and be continuing, it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; provided, however, that notwithstanding anything to the contrary herein or in the Indenture, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable or to terminate this Lease Agreement or to cause the fee interest of the City in the Property to be sold, assigned or otherwise alienated. Each and every covenant hereof to be kept and performed by the City is expressly made a condition and, upon the breach thereof, the Authority may exercise any and all rights of entry and re-entry upon the Property. The City hereby irrevocably consents to the Authority’s repossession of the Property if such an Event of Default shall occur and consents to the Authority’s re-letting of the Property for the account of the City. In the event of such default and notwithstanding any re-entry by the Authority, the City shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease Agreement and the performance of all conditions herein contained and, in any event,

such rent and/or damages shall be payable to the Authority at the time and in the manner as herein provided, to wit:

(a) The City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Property, or, in the event the Authority is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of the Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Authority.

(b) The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Property in the event of default by the City in the performance of any covenants herein contained to be performed by the City and to remove all personal property whatsoever situated upon the Property to place such property in storage or other suitable place in San Mateo County, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained.

(c) The City hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City that may be in or upon the Property.

(d) The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise.

Section 9.3. Limitation on Remedies. Notwithstanding the foregoing provisions of Section 9.2, neither the Authority nor the Trustee shall exercise any remedies against the Property to the extent such remedies would generate funds which are not available to satisfy the obligations of this Lease Agreement or the Indenture.

Section 9.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall, except as herein expressly provided to the contrary, be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article IX it shall

not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article IX have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City hereby consents. Such rights and remedies may be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture. The Trustee shall be considered a third-party beneficiary of this Lease Agreement for enforcing its rights under this Lease Agreement.

ARTICLE X
MISCELLANEOUS

Section 10.1. Notices. All written notices to be given under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by phone, (b) upon receipt after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt.

To the Authority:	Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority c/o City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: Executive Director
If to the City:	City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: City manager
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Attention: Corporate Trust Department

The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

Section 10.2. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 10.3. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect

description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 10.6. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.7. Governing Law. This Lease Agreement is a contract made under the laws of the State and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State.

Section 10.8. Authorized Representatives. Whenever under the provisions of this Lease Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority by an Authorized Representative of the Authority and for the City by an Authorized Representative of the City, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.9. Waiver of Personal Liability. All liabilities under this Lease Agreement on the part of the City are solely liabilities of the City and the Authority hereby releases each and every Council member, director, officer, employee and agent of the City of and from any personal or individual liability under this Lease Agreement. No Council member, director, officer, employee or agent of the City shall at any time or under any circumstances be individually or personally liable under this Lease Agreement for anything done or omitted to be done by the City hereunder.

Section 10.10. Limitation of Rights to Parties and Bond Owners. Nothing in this Lease Agreement expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect of this Lease Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

Section 10.11. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Authority has caused this Lease Agreement to be executed in its name by its duly Authorized Representative; and the City has caused this Lease Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT
DISTRICT FINANCING AUTHORITY

By _____
Clayton L. Holstine
Executive Director

CITY OF BRISBANE

By _____
Clayton L. Holstine
City Manager

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to herein is situated in the State of California, County of San Mateo, City of Brisbane, and described as follows:

Site of Mission Blue Community Center, 475 Mission Blue Drive, Brisbane, CA

Lot 71, Northeast Ridge Unit No. 1, filed May 30, 1995, Map Book 125, Pages 28 through 62, inclusive, San Mateo County Records.

APN: 005-440-020 and 005-440-010

Site of Municipal Pool, 2 Solano Street, Brisbane, CA

Portion of lands of Brisbane Elementary School District as Granted by Crocker Estate Company and by Deed as recorded May 23, 1951 in Volume 2077, Page 430 of Deeds, Records of San Mateo County, California and lying within the County of San Mateo, description as follows:

Parcel A:

Point of beginning which marks the intersection of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street as designated on that certain Map entitled "Amended Map of Subdivision Number 1, 2, 3 of City of Visitation, (Brisbane) California", which was filed for Record on October 14, 1908 in the Office of the Recorder of San Mateo County, State of California in Book 6 of Maps at Page 45, commencing at said point of intersection along the Northerly boundary line of the above mentioned subdivision South 89° 35' 50" West 496.68 feet; thence leaving said boundary North 50° 38' 00" East 314.30 feet; thence North 39° 16' 00" West 48.06 feet; thence North 41° 00' 00" East 7.09 feet; thence South 70° 45' 00" East 26.84 feet; thence South 62° 15' 00" East 175.00 feet; thence South 03° 56' 46" West 29.62 feet; thence South 64° 20' 30" East 53.95 feet, to a tangent curve concave to the Southwest having a central angle of 57° 04' 14" and a radius 100 feet; thence along the arc of said curve an arc distance of 99.61 feet; thence non-tangent from said curve South 10° 25' 40" West more or less to the point of beginning.

Containing 1.44 acres more or less.

Parcel A-1:

A right of way for ingress and egress purposes over a strip of land lying Northerly and adjacent to the above described Parcel A as follows:

Point of beginning being at the intersections of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street; thence North 10° 25' 40" East 17.99 feet to a non-tangent curve concave to the Southwest having a central angle of 57° 04' 14" and a radius 100 feet a radial to said point bears North 82° 43' 44" East; thence along the arc of said curve an arc distance of 99.81 feet; thence tangent from said curve North 64° 20' 30" West 53.95 feet; thence North 03° 56' 46" East 29.62 feet; thence North 62° 15' 00" West 175.00 feet; thence North 70° 45' 00" West 26.84 feet; thence North 15° 15' 00" East 25.00 feet; thence South 70° 45' 00" East 28.70 feet; thence South 62° 15' 00" East 243.03 feet; thence to a tangent curve concave to the Southwest having a central angle of 61° 50' 50" and a radius of 150 feet; thence along the arc of said curve an arc distance of 161.92 feet; thence tangent from said curve South 00° 24' 10" East 7.34 feet; thence South 89° 35' 50" West 51.81 feet more or less to the point of beginning.

Containing 0.35 acres, more or less.

APN: 005-166-020

Parcel B

All that certain real property situate in the City of Brisbane, County of San Mateo, State of California being a portion of that certain real property described in that certain Grant Deed from Crocker Estate Company to Brisbane Elementary School District recorded in Volume 2077 at page 430, San Mateo County Official Records and being more particularly described as follows:

Beginning at the Southeasterly corner of said Lands of the Brisbane Elementary School District:

Thence along the Easterly boundary of said Lands of Brisbane Elementary School District, being the Southerly boundary of Parcel 'A' as said Parcel is shown on the certain Parcel Map recorded on June 13, 1978 in Book 42 of Parcel Maps at Pages 44 and 45, San Mateo County Records North 00°50'48" East a distance of 156.81 feet (said Grant Deed indicates North 0°24'13" West 156.89 feet);

Thence along the Northerly line of said Lands of Brisbane Elementary School District being the Southerly line of said Parcel 'A' North 63°12'12" West a distance of 351.73 feet (said Grant Deed indicates North 64°27'10" West);

Thence leaving said Northerly line of the Lands of Brisbane Elementary School District in a Southwesterly direction South 28°59'58" West a distance of 94.65 feet;

Thence South 51°52' 58" West a distance of 361.41 feet to the Southerly line of said Lands of Brisbane Elementary School District:

Thence along said Southerly line of the Lands of Brisbane Elementary School District South 89° 09'12" East a distance of 94.48 feet (said Grant Deed indicates South 89° 35' 50" West) to the Southwesterly corner of the Lands of the City of Brisbane as said lands are described in that certain Grant Deed from the Brisbane School District to the City of Brisbane recorded in Reel 7713 Page 825 and 826, San Mateo County Records;

Thence along the Westerly line of said Lands of the City of Brisbane North 51°52' 58" East a distance of 314.30 feet (aforementioned Grant Deed indicates North 50°38' 00" East);

Thence North 38°01' 02" West a distance of 48.06 feet (aforementioned Grant Deed indicates North 39° 16' 00" West);

Thence North 42°14' 58" East a distance of 7.09 feet (aforementioned Grant Deed indicates North 41°00' 00" East);

Thence South 69° 30' 02" East a distance of 26.84 feet (aforementioned Grant Deed indicates South 70°45' 00" East);

Thence South 61°00' 02" East a distance of 175.00 feet (aforementioned Grant Deed indicates South 62°15' 00" East);

Thence South 5° 11' 44" West a distance of 29.62 feet (aforementioned Grant Deed indicates South 3° 56' 46" West);

Thence South 63° 05' 32" East a distance of 53.95 feet (aforementioned Grant Deed indicates South 64° 20' 30" East);

Thence along a tangent curve concave to the Southwest having a radius of 100.00 feet and a central angle of 57° 04' 14", an arc length of 99.61 feet;

Thence South 11° 39' 26" West a distance of 17.99 feet (aforementioned Grant Deed indicates South 10° 25' 40" West) to a point which marks the intersection of the Northerly line of San Francisco Avenue with the Westerly line of Solano Street as designated on that certain Map entitled "Amended Map of subdivision

Number 1, 2, 3 of City of Visitation, (Brisbane) California, which was filed for Record on October 14, 1908 in Book 6 of Maps at page 45, San Mateo County Records;

Thence along the Northerly line of said San Francisco Avenue South 89° 09'12" East a distance of 50.77 feet to the point of beginning.

Containing 1.264 Acres, more or less.

APN: 005-166-040

Site of Old Community Center, 250 Visitation Avenue, Brisbane, CA

Lots 3 and 4, Block 13, as designated on the map entitled "Amended Map of Subdivisions Nos. 1, 2 and 3, of City of Visitation, California", which map was filed in the Office of the Recorder of the County of San Mateo, State of California on October 14, 1908 in Book 6 of Maps at Page 45.

APN: 007-272-020

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility consists of

Mission Blue Community Center, 475 Mission Blue Drive, Brisbane, CA. Built in 2000, this 6,000 square foot facility has seating for up to 200 dining guests is located in the Northeast Ridge district and offers panoramic views of San Bruno Mountain and the San Francisco Bay and is available for event rentals.

Municipal Pool, 2 Solano Street, Brisbane, CA. Built in 2000 in part by funds from the Northeast Ridge Development, the pool is a 75-foot length outdoor pool (total 4,200 sq. ft.) with a zero-depth entry pool for disability access, using solar and conventional heating. The pool is surrounded by landscaping and sheltered stations which can be rented for gatherings.

Old Community Center, 250 Visitacion Avenue, Brisbane, CA. Built in 1979, this two-story facility is located in Downtown Brisbane with a total size of approximately 5,500 square feet. The top floor is approximately 2,000 square feet and can be rented out for events, seating up to 70 guests.

EXHIBIT C

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment
10/15/23			
4/15/24			
10/15/24			
4/15/25			
10/15/25			
4/15/26			
10/15/26			
4/15/27			
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10/15/40			
4/15/41			
10/15/41			
4/15/42			
10/15/42			
4/15/43			

INDENTURE OF TRUST

Dated as of June 1, 2023

by and between the

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY**

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

Relating to:

\$_____

Brisbane/Guadalupe Valley Municipal
Improvement District Financing Authority
Lease Revenue Bonds, Series 2023

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EXHIBIT A	FORM OF BOND
EXHIBIT B	DESCRIPTION OF THE 2023 PROJECT

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”), dated as of June 1, 2023, is by and between the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under and by virtue of the laws of the United States of America with a corporate trust office in Los Angeles, California, and being qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”).

R E C I T A L S :

WHEREAS, the Authority is a joint exercise of powers entity duly organized pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the California Government Code (the “Act”), and a joint exercise of powers agreement, dated September 18, 2021, as amended on October 2, 2014 (the “Joint Powers Agreement”), by and between the City of Brisbane, California (the “City”), and the Guadalupe Valley Municipal Improvement District (the “District”);

WHEREAS, the Authority is authorized by the Joint Powers Agreement to issue bonds, notes or other evidences of indebtedness for purposes permitted by the Act and described in the Joint Powers Agreement;

WHEREAS, pursuant to the provisions of the Act, the City and the District are authorized to jointly exercise any power common to such contracting parties, including, without limitation, the power to acquire and dispose of property, both real and personal;

WHEREAS, the City wishes to finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City (the “2023 Project”);

WHEREAS, for such purposes, the Authority has determined to issue its Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023, in the aggregate principal amount of \$_____ (the “Bonds”);

WHEREAS, the Bonds will be issued under the provisions of Article 4 (commencing with section 6584) of the Act (the “Bond Law”) and this Indenture;

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will lease certain real property and improvements (the “Property”) to the City pursuant to a lease agreement, dated as of June 1, 2023 (the “Lease Agreement”), under which the City will agree to make lease payments to the Authority from moneys in its General Fund and the City will budget and appropriate sufficient amounts in each year to pay the full amount of principal of and interest on the Bonds;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

A G R E E M E N T :

NOW, THEREFORE, in order to secure the payment of the Bonds at any time issued and Outstanding under this Indenture according to their terms, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and delivered, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the Authority does covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS;
EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Indenture, of any Supplemental Indenture, of the Lease Agreement, of the Bonds and of any certificate, opinion, request or other documents herein mentioned, have the meanings herein specified.

“Acquisition and Construction” means, with respect to any portion of the 2023 Project, the acquisition, construction, improvement, equipping, renovation, remodeling or reconstruction thereof, including reimbursement relating thereto.

“Act” means the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with section 6500) of the Government Code of the State.

“Additional Payments” means the payments so designated and required to be paid by the City pursuant to the Lease Agreement.

“Authority” means the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority, or its successors and assigns, a joint exercise of powers entity created pursuant to the Joint Powers Agreement.

“Authorized Representative” means: (a) with respect to the Authority, any member of the Board, the Executive Director of the Authority, the Treasurer/Auditor of the Authority, or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by a member of the Board, such Executive Director or such Treasurer/Auditor and filed with the City and the Trustee; and (b) with respect to the City, its City Manager, Director of Financial Management, City Treasurer or City Clerk, or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by an Authorized Representative of the City and filed with the Authority and the Trustee.

“Board” means the Board of Directors of the Authority.

“Bond Counsel” means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally recognized experience in the issuance of obligations of governmental entities.

“Bond Law” means Article 4 (commencing with section 6584) of the Act.

“Bond Year” means each twelve-month period extending from May 2 in one calendar year to May 1 of the succeeding calendar year, both dates inclusive; *provided* that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on May 1, 2024.

“Bonds” means the \$_____ aggregate principal amount of Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023, authorized by and at any time Outstanding pursuant to this Indenture.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located and on which the Federal Reserve is open.

"City" means the City of Brisbane, California, a municipal corporation and chartered city organized and existing under and by virtue of its charter and the laws of the State.

"Closing Date" means June 29, 2023, being the date of delivery of the Bonds to the Original Purchaser.

"Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, thereunder.

"Completion Date" means, with respect to any component of the 2023 Project, the date on which the Authority files a Written Certificate with the City and the Trustee stating that the Acquisition and Construction of such component of the 2023 Project has been completed pursuant to Article III.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the City and dated the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Bonds, including but not limited to all compensation, fees and expenses (including but not limited to fees and expenses for legal counsel) of the Authority or the City relating thereto, initial fees and expenses of the Trustee (including but not limited to fees and expenses for its legal counsel), compensation to any municipal advisor or Underwriter, legal fees and expenses, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents, out-of-pocket expenses of the Authority or the City, Authority and City staff costs and costs of printing.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.02.

"Debt Service" means, during any period of computation, the amount obtained for such period by totaling the following amounts: (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period; and (b) the interest which would be due during such period on the aggregate principal amount of Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

"Defeasance Obligations" means (a) cash; and (b) obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including: (i) United States treasury obligations; (ii) all direct or fully guaranteed obligations; (iii) certificates of beneficial ownership of the Farmers Home Administration; (iv) participation certificates of the General Services Administration; (v) guaranteed Title XI Financings of the U.S. Maritime Administration; (vi) Government National Mortgage Association obligations; and (vii) State and Local Government Series.

“District” means the Guadalupe Valley Municipal Improvement District.

“Event of Default,” with respect to this Indenture, means any of the events specified in Section 7.01 and, with respect to the Lease Agreement, means any of the events specified in Section 9.1 of the Lease Agreement.

“Facility” means, collectively, those existing facilities located on the Site, more particularly described in Exhibit B to the Site and Facility Lease and in Exhibit B to the Lease Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term *“Fair Market Value”* means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (c) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; (b) obligations of any agency or department of the United States of America which represent the full faith and credit of the United States of America or the timely payment of the principal of and interest on which are secured or guaranteed by the full faith and credit of the United States of America; and (c) any obligations issued by the State of California or any political subdivision thereof the payment of and interest and premium (if any) on which are fully secured by Federal Securities described in the preceding clauses (a) or (b), as verified by an independent certified public accountant, and rated by a Nationally Recognized Statistical Rating Organization at its then stated rating for direct general obligations of the United States of America.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority or the City, as applicable, as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City

but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) and, in accordance with then current guidelines of the Securities and Exchange Commission, such other organizations providing information with respect to the redemption of bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.06.

“Interest Account” means the account by that name established in the Revenue Fund pursuant to Section 5.02.

“Interest Payment Date” means each May 1 and November 1, commencing November 1, 2023.

“Joint Powers Agreement” means the Joint Exercise of Powers Agreement, dated September 18, 2021, as amended on October 2, 2014, between the City and the District, as originally executed and as it may thereafter be amended or supplemented in accordance with its terms.

“Lease Agreement” means that certain Lease Agreement, dated as of June 1, 2023, by and between the Authority and the City, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Indenture.

“Lease Payment Date” means, with respect to any Interest Payment Date, commencing with the November 1, 2023, Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date.

“Lease Payments” means the payments required to be paid by the City pursuant to Section 4.3 of the Lease Agreement, such payments constituting the portion of Revenues applied to the payment of debt service on the Bonds.

“Nationally Recognized Statistical Rating Organization” means a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission permits financial firms to use for certain regulatory purposes.

“Net Proceeds” means amounts derived by the City from any policy of casualty insurance with respect to any portion of the Property, or the proceeds of any taking of the Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee located in Los Angeles, California, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the corporate trust operations office or agency of the Trustee.

"Original Purchaser" means, _____, the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner," whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Encumbrances" means, as of any particular time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article V of the Lease Agreement, permit to remain unpaid; (b) the Site and Facility Lease; (c) the Lease Agreement; (d) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (e) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the City certifies in writing will not materially impair the use of the Property; and (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Authority and the City agree in writing do not reduce the value of the Property.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided the Trustee may rely upon the Request of the City directing investment under this Indenture as a determination that such investment is a Permitted Investment):

(a) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, fully and unconditionally guaranteed as to timely payment;

(b) debentures of the Federal Housing Administration to the extent such obligations are guaranteed by the full faith and credit of the United States of America;

(c) obligations of the following agencies which are not guaranteed by the United States of America: (i) participation certificates or debt obligations of the Federal Home Loan Mortgage Corporation; (ii) consolidated system-wide bonds and notes of the Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives); (iii) consolidated debt obligations or letter of credit-backed issues of the Federal Home Loan Banks; or (iv) mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal) or debt obligations of the Federal National Mortgage Association; *provided, however,* that not more than ten percent (10%)

of the proceeds of the Bonds may, in the aggregate, be invested in any such obligations at one time;

(d) commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (i) or (ii):

- (i) The entity meets the following criteria:
 - is organized and operating in the United States as a general corporation
 - has total assets in excess of five hundred million dollars (\$500,000,000)
 - has debt other than commercial paper, if any, that is rated “A” or higher by a Nationally Recognized Statistical-Rating Organization
- (ii) The entity meets the following criteria:
 - is organized within the United States as a special purpose corporation, trust, or limited liability company
 - has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond
 - has commercial paper that is rated “A-1” or higher, or the equivalent, by two of the Nationally Recognized Statistical-Rating Organizations,

and split ratings (i.e. A2/P1) are not allowable, and no more than 10 percent of the outstanding commercial paper of any single corporate issue may be purchased;

(e) shares of beneficial interest issued by diversified management companies which invest only in direct obligations of the US Treasury, debt instruments issued by agencies of the Federal government, and repurchase agreements with a weighted average of 60 days or less, and have the highest rating from two Nationally Recognized Statistical-Rating Organizations, and must maintain a daily principal per share value of \$1.00 per share and distribute interest monthly, and have a minimum of \$500 million in assets under management. The purchase price of the shares may not include commission;

(f) bank deposit products, demand deposits, including interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits or certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, including in the case of any such deposit, fund or account of the Trustee or any of its affiliates, rated in one of the top two highest categories from two Nationally Recognized Statistical-Rating Organizations without regard to gradations, or which are fully FDIC-insured;

(g) Investment agreements, guaranteed investment contracts, funding agreements, or any other form of corporate note which represents the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution which has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the two highest rating categories by a Nationally Recognized Statistical-Rating Organization;

(h) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name;

(i) Repurchase and reverse repurchase agreements collateralized with securities described in subsections (a) and (c) above, at 102% and 104% respectively, including those of the Trustee or any of its affiliates, so long as such repurchase and/or reverse repurchase agreements have a final maturity date of 365 days or less, and must be marked to market weekly with a two (2) day cure period for any deficiencies, and any failure to deliver such collateral or to cure a deficiency shall require the immediate acceleration and termination of the agreement;

(j) longer dated repurchase agreements with financial institutions, or banks insured by the FDIC, or any broker dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC), provided that: (i) the over-collateralization is at 102%, computed weekly, for securities described in subsection (a) and 104% for securities described in subsection (c); (ii) a third party custodian, the Trustee or the Federal Reserve Bank shall have possession of such obligations; (iii) the Trustee shall have perfected a first priority security interest in such obligations; and (iv) failure to maintain the requisite collateral percentage will require the Trustee to liquidate the collateral;

(k) Forward delivery or forward purchase agreements with underlying securities of the types outlined in (a), (b), (c) and (d) above;

(l) Tax-exempt obligations of the City, any local agency in the State or of any other 49 states, rated in either of the two highest rating categories by two of the Nationally Recognized Statistical-Rating Organizations;

(m) money market mutual funds including those for which the Trustee or any of its affiliates receives a fee for services provided to the fund, whether as investment advisor, transfer agent, custodian or otherwise; and

(n) the City Treasurer's Investment Pool.

"Plans and Specifications" means, with respect to the 2023 Project or any component thereof, the plans and specifications relating thereto filed by the City with the Authority pursuant to Section 3.2 of the Lease Agreement.

"Principal Account" means the account by that name established in the Revenue Fund pursuant to Section 5.02.

"Project Costs" means, with respect to the 2023 Project, all costs of the Acquisition and Construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the Acquisition and Construction of the 2023 Project;

(b) obligations incurred for labor and materials in connection with the Acquisition and Construction of the 2023 Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the Acquisition and Construction of the 2023 Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper Acquisition and Construction of the 2023 Project;

(e) any sums required to reimburse the Authority or the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the Acquisition and Construction of the 2023 Project; and

(f) all financing costs incurred in connection with the Acquisition and Construction of the 2023 Project, including but not limited to Costs of Issuance and other costs incurred in connection with the Lease Agreement and the financing of the 2023 Project.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Property" means, collectively, the Site and the Facility.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established pursuant to Section 5.05.

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.05 for the registration and transfer of ownership of the Bonds.

"Regulations" means the regulations of the United States Department of Treasury issued under the Code.

"Revenue Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.01.

"Revenues" means (a) all Lease Payments, prepayments, insurance proceeds, condemnation proceeds, and (b) subject to the provisions of Section 5.07 hereof, all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture, other than the Costs of Issuance Fund.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

"Site" means those certain parcels of real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to the Lease Agreement.

"Site and Facility Lease" means the Site and Facility Lease, dated as of June 1, 2023, by and between the City, as lessor, and the Authority, as lessee, together with any duly authorized and executed amendments thereto.

"State" means the State of California.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Certificate" means the certificate of the Authority dated the Closing Date, with respect to tax matters.

"Term of the Lease Agreement" means the term during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

"2023 Project" means the new capital projects more particularly described in Exhibit B attached hereto.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Rules of Construction. All references in this Indenture to "Articles," "Sections" and other subdivisions in this Indenture are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein," "hereof," "hereunder," and other words of similar import in this Indenture refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law and the Authority is now authorized under each and every requirement of law to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to this Indenture for the purposes described herein.

Section 1.04. Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference,

priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, which shall constitute limited obligations of the Authority, for the purpose of providing funds to finance the 2023 Project. The Bonds are hereby designated the "Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023." The aggregate principal amount of Bonds initially issued and Outstanding under this Indenture is _____ dollars (\$_____). At any time after the execution of this Indenture, the Authority may execute, and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the Bonds to the Original Purchaser upon payment of the purchase price therefor.

(b) This Indenture constitutes a continuing agreement with the Trustee and the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds.

(a) The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond shall have more than one maturity date. The Bonds shall mature on May 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		

(b) Interest on the Bonds shall be payable semiannually on each Interest Payment Date, to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid

by check of the Trustee mailed on such Interest Payment Date by first class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; *provided however*, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee at least five (5) days before the applicable Record Date. Principal of any Bond and any premium upon redemption shall be paid by wire or check of the Trustee upon presentation and surrender thereof at the Office of the Trustee, except as provided in Section 2.04. Principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated as of the Closing Date and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before October 15, 2023, in which event it shall bear interest from the Closing Date; *provided, however*, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Section 2.03. Transfer and Exchange of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond shall not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute, and the Trustee shall authenticate and shall deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered, or expenses incurred by the Trustee in connection with any transfer shall be paid by the Authority.

Any Bond may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond shall not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to Article IV. The Trustee may require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Bonds and any services rendered, or expenses incurred by the Trustee in connection with any exchange shall be paid by the Authority.

Section 2.04. Book-Entry System. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one certificate for each of the maturity dates set forth in Section 2.02 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the Authority, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the Authority and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee, together with a written request of an Authorized Representative of the Authority to the Trustee, a single new Bond shall be issued, authenticated and delivered for each maturity of such Bond then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of an Authorized Representative of the Authority. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.04, upon receipt of all Outstanding Bonds by the Trustee together with a written request of an Authorized Representative of the Authority, new Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the Authority provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the Authority.

(c) In the case of partial redemption or an advance refunding of any Bonds evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the Authority's expense, deliver the Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the absolute Owner thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Bond.

(e) So long as all outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and redemption premium, if any, and interest due on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the Authority and received and accepted by The Depository Trust Company.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall at all reasonable times upon reasonable prior notice be open to inspection during regular business hours by the Authority and the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in Section 2.03.

Section 2.06. Form and Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the facsimile signature of its Chairperson or Treasurer / Auditor, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

Only such of the Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibits A and B, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon

the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and an indemnity for the Authority and the Trustee satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner of such lost, destroyed or stolen Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity for the Authority and the Trustee satisfactory to the Trustee). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section 2.08 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09. CUSIP Numbers. The Trustee, the Authority and the City shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the Authority nor the City shall be liable for any inaccuracies in such numbers.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.01. Application of Proceeds of Sale of Bonds.

(a) Upon the receipt of payment for the Bonds on the Closing Date of \$_____, being the principal amount of the Bonds of \$_____, less an underwriter's discount of \$_____, the Trustee shall apply the proceeds of sale thereof as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund; and

(ii) The Trustee shall deposit the amount of \$_____ in the Project Fund.

(b) The Trustee may, in its sole discretion, establish such funds or accounts in its records to facilitate the foregoing deposits.

Section 3.02. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Costs of Issuance Fund." There shall be deposited in the Costs of Issuance Fund the amounts indicated in Section 3.01(a)(i) of this Indenture.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Written Requisitions of the City stating the person to whom payment is to be made, the amount to be paid, payment instructions, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(c) On September 15, 2023, or upon the earlier Written Request of the City, all amounts remaining in the Costs of Issuance Fund shall be transferred by the Trustee to the Project Fund and the Costs of Issuance Fund shall be closed.

Section 3.03. Project Fund.

(a) The Trustee shall establish, maintain and hold in trust a separate fund to be known as the "Project Fund." There shall be deposited in the Project Fund the amount indicated in Section 3.01(a)(iii) of this Indenture.

(b) Except as otherwise provided herein, moneys in the Project Fund shall be used solely for the payment of the Project Costs. The Trustee shall disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the Authority or the City for payment of Project Costs) upon receipt by the Trustee of a Written Requisition of the City which: (A) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, (iv) that each obligation mentioned therein is a proper charge against the Project Fund and has not previously been disbursed by the Trustee from amounts in the Project Fund, (v) that all conditions precedent set forth in the Lease Agreement with respect to such disbursement have been satisfied, and (vi) that the amount of such disbursement is for a Project Cost; (B) specifies in reasonable detail the nature of the obligation; and (C) is accompanied by a

bill or statement of account (if any) for each obligation. The Trustee may conclusively rely on the information contained in any Written Requisition and shall have no responsibility with respect to the application of any funds disbursed in accordance with such Written Requisition.

(c) Upon the filing with the Trustee of a Written Certificate of the Authority stating that the 2023 Project has been completed or that all Written Requisitions intended to be filed by the Authority and the City have been filed, the Trustee shall withdraw any remaining amounts then on deposit in the Project Fund and transfer such amounts to the Bond Fund and applied to the payment of interest on the Bonds and the Project Fund shall be closed.

Section 3.04. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Lease Agreement. The recital contained in the Bonds that the same are issued pursuant to the laws of the State shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) *Optional Redemption.* The Bonds maturing on or before May 1, ____, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, ____, shall be subject to optional redemption, in whole or in part, upon thirty (30) days written notice to the Trustee by the Authority, at the direction of the City, of its intention to optionally prepay all or a portion of the Lease Payments, on any date on or after May 1, ____, from any available source of funds of the City, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

(b) *Sinking Account Redemption.* The Bonds maturing on May 1, ____ (the “____ Term Bonds”) are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on May 1, ____, and on May 1 in each year thereafter to and including May 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ Term Bonds have been optionally redeemed as described above, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the ____ Term Bonds so redeemed by reducing each such future Sinking Account payment as shall be determined by the City and, in lieu of such determination, on a *pro rata* basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

Redemption Date (May 1)	Principal Amount
_____	_____

† Maturity.

The Bonds maturing on May 1, ____ (the “____ Term Bonds”) are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on May 1, ____, and on May 1 in each year thereafter to and including May 1, ____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ Term Bonds have been optionally redeemed as described above, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the ____ Term Bonds so redeemed by reducing each such future Sinking Account payment as shall be determined by the City and, in lieu of such determination, on a *pro rata* basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

Redemption Date (May 1)	Principal Amount
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† Maturity.

(c) *Special Mandatory Redemption from Insurance or Condemnation Proceeds.* The Bonds shall also be subject to redemption as a whole or in part on any date, pro rata between series, to the extent the Trustee has received hazard insurance proceeds or condemnation proceeds not used to repair or replace any portion of the Property damaged or destroyed and elected by the City to be used for such purpose as provided in Section 5.06, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a particular maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond. If less than all the Outstanding Bonds are called for redemption from proceeds of eminent domain or insurance at any one time, the City shall specify to the Trustee a principal amount in each maturity to be redeemed which, to the extent practicable, results in approximately equal annual debt service on the Bonds Outstanding following such redemption.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by the Trustee by first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Notice of any redemption of Bonds (other than redemptions pursuant to Section 4.01(b)) shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the applicable fund or account on the redemption date sufficient money to pay the

full redemption price of the Bonds to be redeemed, or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the applicable fund or account.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled and destroyed by the Trustee upon surrender thereof.

Section 4.06. Purchase of Bonds. In lieu of redemption of Bonds as provided in this Article IV, amounts held by the Trustee for such redemption may also be used on any Interest Payment Date, upon receipt by the Trustee at least sixty (60) days prior to the next scheduled Interest Payment Date of the written request of an Authorized Representative of the Authority, for the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Authority may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to this Section 4.06 shall not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Any Bonds so purchased shall be surrendered to the Trustee for cancellation.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF
PRINCIPAL AND INTERESTSection 5.01. Pledge and Assignment; Revenue Fund.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture (other than the Costs of Issuance Fund) are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the rights of the Authority in the Lease Agreement (except for rights to receive Additional Payments, rights to give approvals and consents thereunder, the right to enforce venue, and certain rights to indemnification and expenses set forth therein), and in the Site and Facility Lease (except for rights to give approvals and consents thereunder and certain rights to indemnification set forth therein). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and may, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority, all of the obligations of the City under the Lease Agreement.

The assignment of the Lease Agreement and the Site and Facility Lease to the Trustee is solely in its capacity as Trustee under this Indenture and the duties, powers and liabilities of the Trustee in acting thereunder shall be subject to the provisions of this Indenture, including, without limitation, the provisions of Article VIII hereof. The Trustee shall not be responsible for any representations, warranties, covenants or obligations of the Authority under the Lease Agreement or the Site and Facility Lease.

(c) The Trustee agrees to provide written notice to the City at least five Business Days prior to each Lease Payment Date of the amount, if any, on deposit in the Revenue Fund which shall serve as a credit against, and shall relieve the City of making, the Lease Payments due from the City on such Lease Payment Date. Subject to Sections 5.06 and 5.07, all Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Revenue Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Lease Agreement to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such Funds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

Section 5.02. Allocation of Revenues. Not later than the Business Day preceding each Interest Payment Date, the Trustee shall transfer from the Revenue Fund and deposit into the

following respective accounts (each of which the Trustee shall establish and maintain within the Revenue Fund), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

(b) The Trustee shall deposit in the Principal Account an amount, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due at maturity and payable on such Interest Payment Date.

(c) If the then applicable Interest Payment Date is November 1, all remaining moneys shall be held by the Trustee in the Revenue Fund and applied for the next succeeding May 1 Interest Payment Date deposits. If the then applicable Interest Payment Date is May 1, all remaining moneys shall be transferred to the City for deposit to the General Fund of the City free and clear of any pledge or lien imposed under this Indenture.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Section 5.05. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of Bonds to be redeemed pursuant to Sections 4.01(a) and 4.01(b); *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, in accordance with Section 4.06.

Section 5.06. Insurance and Condemnation Fund.

(a) *Establishment of Fund.* Upon the receipt of any proceeds of insurance or eminent domain with respect to any portion of the Property, the Trustee shall establish and maintain an Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section 5.07.

(b) *Application of Insurance Proceeds.* Any Net Proceeds of insurance against accident to or destruction of the Property collected by the City in the event of any such accident or destruction shall be paid to the Trustee by the City pursuant to Section 6.1 of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within forty-five (45) days following the date of such deposit, to replace, repair, restore, modify or

improve the Property, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds pursuant to Section 4.01(b). All proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Redemption Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the City, upon receipt of Written Requisitions of the City, as agent for the Authority, which: (i) states with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal; and (ii) specifies in reasonable detail the nature of the obligation. Each such Written Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any balance of the proceeds remaining after such work has been completed as certified by the City to the Trustee shall be remitted by the Trustee to the City.

(c) *Application of Eminent Domain Proceeds.* If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.1 of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(i) If the City has not given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Property or such portion thereof, the Trustee shall transfer such Net Proceeds to the Redemption Fund to be applied towards the redemption of the Bonds pursuant to Section 4.01(b).

(ii) If the City has given written notice to the Trustee, within forty-five (45) days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Property or such portion thereof, the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such replacement, upon the filing of Written Requisitions of the City as agent for the Authority in the form and containing the provisions set forth in subsection (b) of this Section 5.06. Each such Written Requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

Section 5.07. Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the City pursuant to a Written Request of the City filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which Written Request shall certify that the investments constitute Permitted Investments) or such shorter time as the Trustee may accept in its sole discretion. In the absence of any such directions from the City, the Trustee shall hold such amounts uninvested. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. The City shall take the liquidity needs of the moneys held hereunder into account in making investments.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder and held by the Trustee shall be deposited or retained in the Revenue Fund. To the extent that any investment agreement requires the payment of fees, such fees shall be paid from available moneys in the Revenue Fund after the deposit of moneys

described in Section 5.02 (a) through (c) above. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee or its affiliates may act as sponsor, advisor or depository with respect to any Permitted Investment. To the extent that any Permitted Investment purchased by the Trustee are registrable securities such Permitted Investment shall be registered in the name of the Trustee on behalf of the Owners. The Trustee shall incur no liability for losses arising from any investments made pursuant to the City's investment direction.

The City acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City the right to receive brokerage confirmations of security transactions as they occur at no additional cost, the City specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder.

Such investments shall be valued by the Trustee not less often than quarterly at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

The Trustee may utilize securities pricing services that may be available to it making such valuations, including those within its accounting system (including brokers and dealers in securities) with respect to the Bonds, and conclusively rely thereon.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes. Nothing in this section shall in any way limit the City's ability to encumber its assets in accordance with the Lease Agreement.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under this Indenture in the manner and to the extent provided in this Indenture. The Authority has duly authorized the execution and delivery of the Bonds and this Indenture under the terms and provisions of the Act and a resolution adopted by the Board and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Authority of the Bonds and this Indenture. The Authority has taken all necessary action and has complied with all provisions of the Act required to make the Bonds and this Indenture the valid, legal and binding limited obligations of the Authority.

Section 6.05. Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, the Revenues, the Lease Agreement and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority and the City, during business hours and under reasonable circumstances upon reasonable prior notice.

Section 6.06. No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

Section 6.07. Tax Covenants. The Authority covenants to and for the benefit of the Owners that, notwithstanding any other provisions of this Indenture (other than Section 11.01 hereof), it will:

(a) neither make or use nor cause to be made or used any investment or other use of the proceeds of the Bonds or the moneys and investments held in the funds and accounts established under this Indenture which would cause the Bonds to be arbitrage bonds under section 103(b) and section 148 of the Code and the Regulations issued under section 148 of the Code or which would otherwise cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes;

(b) not take or cause to be taken any other action or actions, or fail to take any action or actions, which would cause the interest payable on the Bonds to be includable in gross income of the Owners of the Bonds for federal income tax purposes;

(c) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bonds will be excluded from the gross income, for federal income tax purposes, of the Owners pursuant to the Code; and

(d) not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations.

In furtherance of the covenants in this Section 6.07, the Authority shall execute, deliver and comply with the provisions of the Tax Certificate. The Trustee agrees it will invest funds held under this Indenture in accordance with the terms of this Indenture (this covenant shall extend throughout the term of the Bonds, to all funds and accounts created under this Indenture held by the Trustee and all moneys on deposit to the credit of any fund or account held by the Trustee).

Section 6.08. Rebate Fund.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with instructions of the Authority. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the federal government of the United States of America. Neither the Authority nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 6.08, by Section 6.07 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority including supplying all necessary information reasonably requested by the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate or any other tax covenants contained herein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate

calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Authority with such rebate requirements. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall only be obligated to act in accordance with written instructions provided by the Authority.

(b) Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Authority or the City, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the Tax Certificate. The Trustee shall supply to the Authority all necessary information requested by the Authority to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 6.08, other than from moneys held in the Rebate Fund or from other moneys provided to it by the Authority or the City.

(d) At the written direction of the Authority, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments. Moneys shall not be transferred from the Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Authority's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions; *provided, however*, only moneys in excess of the Rebate Requirement may, at the written direction of the Authority, be transferred out of the Rebate Fund to such other accounts or funds or to anyone other than the United States in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Rebate Fund (i) after each five-year remission to the United States, and (ii) after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Requirement, shall be withdrawn by the Trustee and remitted to the City.

(f) Notwithstanding any other provision of this Indenture, including in particular Article X, the obligation to remit the Rebate Requirement to the United States and to comply with all other requirements of this Section 6.08, Section 6.07 and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Section 6.09. Collection of Amounts Due Under Lease Agreement. The Trustee shall promptly collect all amounts due from the City pursuant to the Lease Agreement. Subject to the provisions of Article VIII, the Trustee may enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority, for the enforcement of all of the obligations of the City under the Lease Agreement.

The Authority shall not amend, modify or terminate any of the terms of the Lease Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if (a) in the opinion of Bond Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Owners, or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.10. Continuing Disclosure. Pursuant to Section 5.11 of the Lease Agreement, the City has undertaken all responsibility for compliance with continuing disclosure requirements, and neither the Authority nor the Trustee shall have any liability to the Owners of the Bonds or any other person with respect to the Continuing Disclosure Certificate. The Trustee hereby covenants and agrees that it will comply with and carry out all of the provisions of Section 5.11 of the Lease Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall at the request of the Owners or Beneficial Owners (as defined in the Continuing Disclosure Certificate) of at least 25% aggregate principal amount of Outstanding Bonds, to the extent indemnified to its satisfaction from any liability, cost or expense, including fees and expenses of its attorneys, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under Section 5.11 of the Lease Agreement or to cause the Trustee to comply with its obligations under this Section 6.10. For purposes of this Section 6.10, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Section 6.11. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.12. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Default in the due and punctual payment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee; *provided, however*, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such thirty (30) day period, such default shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time which period shall be no longer than 120 days after the original written notice of default.

(d) The occurrence and continuation of an Event of Default under and as such term is defined in the Lease Agreement.

Section 7.02. Remedies Upon Event of Default. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction, and payment of its fees and expenses, including the fees and expenses of its counsel, shall in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners under, and require the Authority or the City to carry out any agreements with or for the benefit of the Owners of Bonds and to perform its or their duties under the Lease Agreement and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Lease Agreement or this Indenture, as the case may be;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the Owners of Bonds; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of Bonds hereunder.

Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Revenues, *ex parte*, and without notice, and the Authority consents to the appointment of such receiver upon the occurrence of an Event of Default. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the Authority or the City, the Trustee shall be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have the claims of the Trustee and the Bond Owners allowed in such proceedings, without prejudice, however, to the right of any Bond Owner to file a claim on his or her own behalf; provided, the Trustee shall be entitled to compensation and reimbursement for the reasonable fees and expenses of its counsel and indemnity for its reasonable expenses and liability from the Authority, the City or the Bond Owners, as appropriate.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bond Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Bond Owner in any such proceeding without the approval of the Bond Owners so affected.

Notwithstanding anything contained herein or in the Lease Agreement to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Laws, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The term "Environmental Laws" shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto. The term "Hazardous Substances" shall mean any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Laws, including without limitation, asbestos, petroleum and hydrocarbon products. The Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action, and such approval cannot be obtained.

Section 7.03. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as shall be deemed most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds, this Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 7.05. Bond Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would expose it to liability.

Section 7.06. Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Lease Agreement or any other applicable law with respect to such Bonds,

unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Lease Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

Section 7.07. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Termination of Proceedings. If any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then the Authority, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.09. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.10. No Waiver of Default. No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 7.11. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Authority, the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the City, the Authority, the Trustee, their officers, employees and agents, and the Owners.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Authority may remove the Trustee at any time and the Authority shall remove the Trustee if at any time requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and the City and thereupon shall appoint a successor Trustee by an instrument in writing. Any such removal shall be made upon at least thirty (30) days' prior written notice to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within sixty (60) days of giving notice of removal or notice of resignation as aforesaid, the Authority shall (or the Trustee may) petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be

reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or national banking association included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars (\$50,000,000), shall be subject to supervision or examination by federal or state agency, and shall be acceptable to the City in its discretion. If such corporation or national banking association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining agency above referred to then for the purpose of this subsection (e), the combined capital and surplus of such corporation or national banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall not be taken as statements of the Trustee, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Lease Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof, at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Lease Agreement or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City and the Authority of the terms, conditions, covenants or agreements set forth in the Lease Agreement, other than the covenants of the City to make Lease Payments to the Trustee when due, such reports and certifications as the City are required to file with the Trustee thereunder.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it is not assured to its satisfaction that the repayment of such funds or indemnity satisfactory to it against such risk or liability is reasonably assured to it.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of Owners pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture and the Lease Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of Section 8.01(a), this Section 8.03 and Section 8.04 hereof.

(j) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any proceeds of the Bonds or moneys which shall be released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Indenture for the existence, furnishing or use of the Property.

(l) Except to the extent that information was provided by the Trustee, the Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The indemnities extended to the Trustee also extend to its directors, officers, employees and agents. The rights, protections and indemnities of the Trustee herein shall also apply to the Trustee when acting under the Lease Agreement or the Site and Facility Lease.

(n) The Trustee may become the owner or pledgee of any Bonds with the same rights it would have if it were not Trustee.

(o) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Property, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(p) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.); provided, however, that the City and/or the Authority, as applicable, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City and/or the Authority, as applicable, whenever a person is to be added or deleted from the listing. If the City and/or the Authority, as applicable, elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City and the Authority understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent

by such Authorized Officer. The City and the Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City, the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City and/or the Authority, as applicable. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City and the Authority agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City and/or the Authority, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(q) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, facsimile, e-mail, resolution, request, requisition, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained by the Trustee and shall be subject at all reasonable times to the inspection of the Authority, the City and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions upon reasonable prior notice.

Section 8.06. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all reasonable expenses and disbursements (including fees and expenses of counsel), incurred in and about the performance of its powers and duties under this Indenture.

The Authority shall indemnify, defend and hold harmless the Trustee against any loss, liability, suit, cost, claim, judgment, damages or expense (including legal fees and expenses) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this Indenture, under the Site and Facility Lease, the Lease Agreement, or any other document or transaction contemplated in connection herewith or therewith including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. As security for the performance of the obligations of the Authority under this Section 8.06 to the Trustee, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest on particular Bonds. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 9.01. Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority may deem necessary or desirable;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute; or

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income of the Owners under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (a) or (b) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture.

(e) Written notice of any amendment or modification made pursuant to this Section 9.01 shall be given by the Authority to any rating agency then rating the Bonds prior to the effective date of such amendment or modification.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same series and maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by him.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

(a) by paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, Defeasance Obligations in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or

(c) by delivering to the Trustee, for cancellation by it, such Bonds.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture (except its obligations under Section 8.06 hereof) with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations, the principal of and interest on which when due will, in the written opinion of an Independent Accountant filed with the City, the Authority and the Trustee, provide money sufficient to pay the principal of and interest and premium (if any) on the Bonds to be paid or redeemed, as such principal, interest and premium become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal, interest and premium (if any) with respect to such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above).

Section 10.04. Unclaimed Funds. Notwithstanding any provisions of this Indenture, and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in this Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the City free from the trusts created by this Indenture and without liability for interest thereon, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the City as aforesaid, the Trustee shall (at the written request and cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Revenues. None of the Authority, any Authority members, any Board members or any person executing the Bonds is liable personally on the Bonds or subject to any personal liability or accountability by reason of their issuance. The Bonds are limited obligations of the Authority, payable solely from and secured by the pledge of Revenues. Neither the Authority, its members, the State, nor any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Bonds, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Bonds are not a pledge of the faith and credit of the Authority, its members, the State or any of its political subdivisions nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Authority has no taxing power.

The Authority shall not be liable for payment of the principal of or interest on the Bonds or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the City under the Lease Agreement.

Section 11.02. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the City, the Authority and the Owners of the Bonds.

Section 11.03. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary to perform its obligations hereunder. The Trustee shall deliver a monthly accounting to the Authority of the funds and accounts held hereunder; provided, that the Trustee shall not be obligated to deliver an accounting for any fund or account that has had no activity since the last reporting date and that has a balance of zero.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, cancel and destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by phone, (b) after deposit in the United States mail, postage prepaid, upon receipt, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

To the Authority:	Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority c/o City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: Finance Director Fax: (562) 570-5836
If to the City:	City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: Finance Director
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, CA 90071 Attention: Corporate Trust Department

The City, the Authority and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing

appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section 11.08.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination (unless 100% of the Bonds are so owned). Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.09 if the pledgee shall certify to the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Upon request, the Authority or the City shall specify to the Trustee those Bonds disqualified pursuant to this Section 11.09. The Trustee may conclusively rely on such representation of the Authority and the City.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof but without any liability for interest thereon.

Section 11.11. Waiver of Personal Liability. No Board member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the City, the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City, the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. Governing Law. This Indenture and the Bonds are contracts made under the laws of the State and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State.

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IN WITNESS WHEREOF, the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY has caused this Indenture to be signed in its name by its duly Authorized Representative and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY

By _____
Clayton L. Holstine
Executive Director

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

EXHIBIT A
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN MATEO

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY**
Lease Revenue Bonds, Series 2023
(Federally Taxable)

INTEREST RATE:	MATURITY DATE:	ORIGINAL ISSUE DATE:	CUSIP:
_____ %	May 1, _____	June 1, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY, a duly constituted joint exercise of powers agency under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before October 15, 2023, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate specified above, payable semiannually on May 1 and November 1 in each year, commencing November 1, 2023, (collectively, the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office (the "Office") of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") or such other place as designated by the Trustee. Interest hereon is payable by check on the Interest Payment Date of the Trustee mailed on the applicable Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee at least five days prior to such Record Date by a Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds (hereinafter defined), by wire transfer in immediately available

funds to an account in the United States designated by such Registered Owner in such written request.

This Bond is not a debt of the City of Brisbane, California (the "City"), San Mateo County, the State of California, or any of its political subdivisions, and neither the City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues (as defined in the Indenture hereinafter defined).

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023" (the "Bonds"), in an aggregate principal amount of _____ dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), and pursuant to an Indenture of Trust, dated as of June 1, 2023, by and between the Authority and the Trustee (the "Indenture"), and a resolution of the Authority adopted on May 4, 2023, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are being issued to finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City, and (c) pay costs of issuance of the Bonds.

This Bond and the interest and premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are limited obligations of the Authority, and are payable from, and are secured by a charge and lien on the Revenues as defined in the Indenture, consisting primarily of payments by the City under the Lease Agreement. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or before May 1, ____, are not subject to optional redemption prior to maturity. The Bonds maturing on or after May 1, ____, shall be subject to redemption, at the option of the City on any date on or after May 1, ____, as a whole or in part, by such maturities as shall be determined by the City, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on May 1, ____, are subject to mandatory redemption from sinking account payments made by the Agency, in part by lot, on May 1, ____, and on May 1 in each year thereafter to and including May 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

Redemption Date (May 1)	Principal Amount

† Maturity.

The Bonds maturing on May 1, ____, are subject to mandatory redemption from sinking account payments made by the Agency, in part by lot, on May 1, ____, and on May 1 in each year thereafter to and including May 1, ____, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

Redemption Date (May 1)	Principal Amount

† Maturity.

The Bonds are subject to redemption as a whole, or in part on a *pro rata* basis among maturities, on any date, to the extent the Trustee has received hazard insurance proceeds or condemnation proceeds not used to repair or replace any portion of the leased property damaged or destroyed and elected by the City, to be used for such purpose, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.

The Bonds are subject to extraordinary redemption at the option of the City from moneys remaining in the Project Fund upon the completion of the 2023 Project at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor

any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Office of the Trustee, or such other place as designated by the Trustee, for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Authority or the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Law and the other laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Law or any other laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chair of as of the Original Issue Date specified above.

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY

By _____
Chair

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By _____
Authorized Officer

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Signature Guaranteed:

Notice: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B**DESCRIPTION OF THE 2023 PROJECT**

The 2023 Project consists of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City.

\$ _____
**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY
Lease Revenue Bonds, Series 2023**

BOND PURCHASE AGREEMENT

June 15, 2023

Brisbane/Guadalupe Valley Municipal
Improvement District Financing Authority
50 Park Place
Brisbane, CA 94005

City of Brisbane
50 Park Place
Brisbane, CA 94005

Ladies and Gentlemen:

Oppenheimer & Co. Inc. (the "Underwriter"), hereby offers to enter into this bond purchase agreement (the "Bond Purchase Agreement") with the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority") and the City of Brisbane (the "City"). Upon the acceptance hereof by the Authority and the City, this offer will be binding upon the Authority, the City and the Underwriter. This offer is made subject to (a) the written acceptance hereof by the Authority and the City and (b) withdrawal by the Underwriter upon written notice (by telecopy or otherwise) delivered to the Authority and the City at any time prior to each of their acceptance hereof by the Authority and the City.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase on the Closing Date (as defined herein), and the Authority and the City hereby agree to sell and deliver to the Underwriter on the Closing Date, \$_____ principal amount of Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the "Bonds"). The Bonds are being issued pursuant to Article 4, Chapter 5, Division 7, Title 1 of the California Government Code, a resolution of the Authority authorizing the issuance of the Bonds, adopted on June 1, 2023 (the "Authority Resolution"), and an Indenture of Trust, dated as of June 1, 2023 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City will lease certain real property and all buildings and other improvements installed thereon (collectively, the "Property") to the Authority pursuant to a Site and Facility Lease, dated as of June 1, 2023 (the "Site and Facility Lease"), by and between the City and the Authority. The Authority will lease the Property to the City pursuant to a Lease Agreement, dated as of June 1, 2023 (the "Lease Agreement"), by and between the Authority and the City.

Under the Lease Agreement, the City is required to make Lease Payments and Additional Rent Payments from legally available funds in amounts calculated to be sufficient to pay principal of and interest on the Bonds when due. Pursuant to the Indenture, the Authority will assign, for the benefit of the owners of the Bonds, its right to receive lease payments (the "Lease Payments") made by the City under the Lease Agreement and its right to exercise rights and remedies of the Authority under the Lease Agreement. All of the Authority's right, title and interest in and to the Lease Agreement (except for the right to receive Additional Payments to the extent payable to the Authority and certain rights to indemnification), including the right to receive Lease Payments under the Lease Agreement, are assigned to the Trustee for the benefit of the Owners of the Bonds.

The Bonds are being issued to (a) finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes, and (b) pay costs of issuance of the Bonds.

The aggregate purchase price to be paid by the Underwriter for the Bonds is hereby agreed to be \$_____, which amount represents the principal amount of the Bonds of \$_____, plus an original issue premium of \$_____, less \$_____, representing the Underwriter's discount (such payment and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery being herein sometimes called the "Closing").

As an accommodation to the Authority and the City, the Underwriter will pay, from the purchase price of the Bonds, the sum of \$_____ to _____ (the "Municipal Bond Insurer") as the premium for the Municipal Bond Insurer's municipal bond insurance policy issued for the Bonds (the "Municipal Bond Insurance Policy") and the sum of \$_____ to the Municipal Bond Insurer as the premium for the Municipal Bond Insurer's reserve fund municipal bond insurance policy issued for the Bonds (the "Reserve Policy").

The Authority and the City acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Authority and the City and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as agent or fiduciary of the Authority or the City; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliates of the Underwriter, have advised or are currently advising the Authority or the City on other matters) nor has it assumed any other obligation to the Authority or the City except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Authority and the City; and (v) the Authority and the City have consulted with their own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

The Authority and the City hereby acknowledge receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

A Preliminary Official Statement of the City and the Authority, dated June 6, 2023 (together with the Appendices thereto, any documents incorporated therein by reference and

any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), has been prepared for use in marketing the Bonds, and a final Official Statement relating to the Bonds, to be dated the date hereof, as amended to conform to the terms of this Purchase Contract, and with such changes and amendments as are mutually agreed to by the Authority, the City and the Underwriter, including the cover page, inside cover page, the appendices and all information incorporated therein by reference, is herein collectively referred to as the "Official Statement," which shall be in substantially the form of the Preliminary Official Statement, with such changes and amendments thereto as may be mutually agreed upon by the Underwriter, the Authority and the City.

The Bonds shall be dated their date of delivery, and shall have the maturities, bear interest at the rates, have reoffering yields, and be subject to redemption as shown on Exhibit A hereto.

It shall be a condition to the Authority's obligation to sell and to deliver the Bonds to the Underwriter and to the obligation of the Underwriter to purchase, to accept delivery of and to pay for the Bonds that the entire \$_____ principal amount of the Bonds as authorized by the Indenture shall be sold and delivered by the Authority and accepted and paid for by the Underwriter at the Closing. The Underwriter may change the offering prices (or yields) of the Bonds from time to time at any time. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The obligation of the Authority to sell and deliver the Bonds to the Underwriter shall also be conditioned upon the delivery by Quint & Thimmig LLP, Larkspur, California, Bond Counsel ("Bond Counsel"), of its approving legal opinion with respect to the Bonds.

The Authority and the City hereby authorize the Underwriter to use and distribute the Lease Agreement, the Indenture and the Preliminary Official Statement, and the information contained in such documents in connection with the public offering and sale of the Bonds. The Authority and the City have authorized the use of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter prior to the date hereof.

The obligation of the City to make Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Lease Payments under the Lease Agreement constitutes a debt of the Authority, the City, the State of California or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. The obligation of the City to make Lease Payments, as set forth in the Lease Agreement, shall be deemed to be and shall be construed to be a ministerial duty imposed by law and it shall be the ministerial duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of such duty, subject to abatement in the event of damage or destruction to, or condemnation of, the Property or a portion thereof.

2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the inside cover page of the Official Statement. Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; *provided, however*, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at

prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserve the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Authority for the Bonds.

3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority and the City in establishing the issue price of the Bonds and shall execute and deliver to the Authority and the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority and the City under this Section 3 to establish the issue price of the Bonds may be taken on behalf of the Authority and the City by the City's municipal advisor identified herein and any notice or report to be provided to the Authority and the City may be provided to the City's municipal advisor.

(b) The Authority and the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority and the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority and the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority and the City acknowledge that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority and the City further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail

distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority and the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

4. The Bonds. The Bonds will be issued, executed and delivered pursuant to the Indenture. The City Council of the City has adopted a resolution on June 1, 2023, relating to the Bonds (the “City Resolution”). This Bond Purchase Agreement, the Site and Facility Lease, the Lease Agreement and the Continuing Disclosure Certificate (hereinafter defined) are collectively referred to as the “City Documents.” This Bond Purchase Agreement, the Indenture, the Site and Facility Lease and the Lease Agreement are collectively referred to as the “Authority Documents.”

5. Official Statement, Continuing Disclosure.

(a) The Authority and the City represent that they have deemed the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”).

(b) The Underwriter agrees that, prior to the time the final Official Statement is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the second business day following the date upon which each such request is received.

(c) The Authority agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Official Statement relating to the Bonds as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of the Rule and with Rule G-32, Rule G-36 and all other applicable rules of the Municipal Securities Rulemaking Board. The Authority agrees to deliver such copies of the Official Statement within seven business days after the execution hereof. The Underwriter agrees to give notice to the Authority on the date after which the Underwriter shall no longer be obligated to deliver copies of the Official Statement pursuant to paragraph (b)(4) of the Rule, which date shall be no earlier than 25 days after the "end of the underwriting period," as determined in accordance with Section 15 herein.

(d) Prior to the earlier of (i) receipt of notice from the Underwriter that no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule or (ii) 25 days after the date of the Closing (as defined below), the Authority and the City shall provide the Underwriter with such information regarding the Authority and the City, each of their current financial conditions and ongoing operations as the Underwriter may reasonably request.

(e) The City hereby covenants and agrees that it will, on or prior to the Closing Date, enter into an undertaking for the benefit of the owners of the Bonds in which the City will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of the Rule substantially in the form of Appendix E to the Official Statement (the "Continuing Disclosure Certificate").

6. Representations, Warranties and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California.

(b) The City has full legal right, power and authority (i) to enter into, execute and deliver the City Documents; and (ii) to carry out and consummate the transactions on its part contemplated by the City Documents and the Official Statement.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations in connection with the execution and delivery of the Bonds on its part contained in the City Documents, and the consummation by it of all other transactions contemplated by the City Documents in connection with the execution and delivery of the Bonds, all pursuant to the City Resolution adopted at a meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the members of the City Council was continuously present. The City Resolution has not been modified, amended or rescinded since the date of its adoption.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the City Documents) or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations

under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the City Documents, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the City Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the execution and delivery of the Bonds under the City Documents or the consummation by it of all other transactions contemplated by the City Documents have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the City, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the City executing this Bond Purchase Agreement, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the City the validity or enforceability of the City Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City to cause the execution and delivery or adoption by the City of the City Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the City, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the City of the City Documents.

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(h) As of the date thereof, the Preliminary Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy, or any information provided by the Underwriter) did not, except for the omission of certain information permitted to be omitted in accordance with the Rule, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the City's acceptance hereof, and (unless an event occurs of the nature described in paragraph (k) of this Section 6) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriter) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (k) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein provided by the Underwriter) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the City executing this Bond Purchase Agreement has knowledge shall occur affecting the City which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(l) Any certificate signed by any officer of the City and delivered to the Underwriter pursuant to the City Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(m) The City will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Lease Agreement, the City will not issue or sell, or cause to be issued or sold, any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from Lease Payments.

7. Representations, Warranties and Agreements of the Authority. The Authority represents, warrants and agrees as follows:

(a) The Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to a Joint Exercise of Powers Agreement between the City and the Guadalupe Valley Municipal Improvement District, dated September 18, 2014, as amended on October 2, 2014 (the "JPA Agreement").

(b) The Authority has full legal right, power and authority (i) to enter into, execute and deliver the Authority Documents and to sell and deliver the Bonds to the Underwriter as provided herein; and (ii) to carry out and consummate the transactions on its part contemplated by the Authority Documents and the Official Statement.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the Authority Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and approved the distribution thereof (including in electronic form), has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations in connection with the execution and delivery of the Bonds on its part contained in the Bonds and the Authority Documents, and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the execution and delivery of the Bonds, all pursuant to the Authority Resolution adopted at a regular meeting duly called and held in accordance with the requirements of all applicable laws and at which a quorum of the board members of the Authority was continuously present. The Authority Resolution has not been modified, amended or rescinded since the date of its adoption and each Authority Document is or will be, when delivered, as applicable, the valid and binding obligation of the Authority.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or the JPA Agreement, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Authority Documents) or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Bonds or the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Authority Documents.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the issuance of the Bonds under the Authority Documents or the consummation by it of all other transactions contemplated by the Authority Documents, including all filings with the California Secretary of

State, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Bonds and the Authority Documents have been duly obtained.

(f) The Bonds, when executed, issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriter as provided herein, will be validly executed and outstanding obligations, entitled to the benefits of the Indenture, and upon such execution and delivery, the Indenture will provide, for the benefit of the Owners from time to time of the Bonds, the legally valid and binding security interest it purports to create.

(g) There is no action, suit, proceeding, inquiry or investigation, notice of which has been duly served on the Authority, at law or in equity before or by any court, government agency, public board or body, pending or to the best knowledge of the officer of the Authority executing this Bond Purchase Agreement, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance, execution or delivery of the Bonds pursuant to the Indenture, or contesting or affecting as to the Authority the validity or enforceability of the Bonds or the Authority Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority to issue the Bonds, or the execution and delivery or adoption by the Authority of the Authority Documents, or in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Authority, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Bonds or the authorization, execution, delivery or performance by the Authority of the Bonds or the Authority Documents.

(h) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction, and the Underwriter shall bear all costs in connection with the foregoing.

(i) As of the date thereof, the information in the Preliminary Official Statement under the caption "THE AUTHORITY" did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) At the time of the Authority's acceptance hereof, and (unless an event occurs of the nature described in paragraph (l) of this Section 5) at all times subsequent thereto up to and including the Closing Date, the information under the caption "THE AUTHORITY" in the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and

the Reserve Policy or any information provided by the Underwriter) did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended pursuant to paragraph (l) of this Section 7, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement (other than information therein regarding DTC or its book-entry system, information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy or any information provided by the Underwriter) as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of this Bond Purchase Agreement and that date which is 25 days after the end of the underwriting period (as determined in accordance with Section 15 hereof) any event of which the officer of the Authority executing this Bond Purchase Agreement has knowledge shall occur affecting the Authority which might adversely affect the marketability of the Bonds or the market prices thereof, or which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the City, Bond Counsel, Disclosure Counsel and the Underwriter.

(m) Any certificate signed by any officer of the Authority and delivered to the Underwriter pursuant to the Authority Documents or any document contemplated thereby or required for the valid execution and delivery of the Bonds shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(n) The Authority will cause the proceeds from the sale of the Bonds to be paid to the Trustee for the purposes specified in the Indenture and the Official Statement. So long as any of the Bonds are outstanding and except as may be authorized by the Indenture, the Authority will not issue or sell any bonds or other obligations, other than the Bonds delivered thereunder, the interest on and premium, if any, or principal of which will be payable from the Revenues.

(o) The Authority shall honor all other covenants on its part contained in the Indenture and the Lease Agreement which are incorporated herein and made a part of this Bond Purchase Agreement.

(p) The requirements of Section 3.07I and (f) of the Indenture relating to Additional Bonds have been met.

8. Closing. At 8:00 A.M., Pacific Daylight time, on June 29, 2023, or on such other date time, as may be mutually agreed upon by the Authority, the City and the Underwriter (the "Closing Date"), the Authority will, subject to the terms and conditions hereof, deliver to the Underwriter, through the facilities of The Depository Trust Company ("DTC"), or at such other place as the Authority, the City and the Underwriter may mutually agree, the Bonds in definitive, fully registered form (one Bond for each maturity), duly executed and registered in

the name of Cede & Co. as nominee of DTC; and, subject to the terms and conditions hereof, the Underwriter shall wire to the Trustee Federal Reserve Bank Funds in the amount of the purchase price of the Bonds.

9. Closing Conditions. The Underwriter have entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, authorized representatives of Bond Counsel, the Trustee, and the City Attorney made in any certification or other documents furnished pursuant to the provisions hereof, and shall also be subject to the following additional conditions:

(a) The respective representations and warranties of the Authority and the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter;

(c) All necessary official action of the Authority, the City and of the other parties thereto relating to the City Documents and the Authority Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(d) Subsequent to the date hereof, there shall not have occurred any change in or affecting particularly the Authority, the City or the Bonds, as the foregoing is described in the Official Statement, which in the reasonable opinion of the Underwriter materially impairs the investment quality of the Bonds; and

(e) At or prior to the Closing Date, the Underwriter shall have received copies of each of the following documents:

(i) The Official Statement and each supplement or amendment, if any, thereto, executed by authorized officers of the Authority and the City;

(ii) A copy of the Indenture, executed by the parties thereto;

(iii) A copy of the Site and Facility Lease, executed by the parties thereto;

(iv) A copy of the Lease Agreement, executed by the parties thereto;

(v) A copy of the Continuing Disclosure Certificate, executed by the City;

(vi) A certified copy of the JPA Agreement;

(vii) A certificate or certificates of the City, dated the Closing Date, to the effect that:

(A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the City Resolution, or (iii) the execution and delivery of the City Documents and performance of its obligations thereunder, has been repealed, modified, amended, revoked or rescinded;

(C) except as described in the Official Statement, subsequent to June 30, 2021, and prior to Closing, there have been no material adverse changes in the financial position of the City;

(D) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and

(E) No consent is required for the inclusion of the City's 2021 audited financial statements in the Official Statement;

(viii) A certificate or certificates of the Authority, dated the Closing Date, to the effect that:

(A) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to Closing Date;

(B) none of the proceedings or authority for (i) the authorization, sale, execution and delivery of the Bonds, (ii) the adoption of the Authority Resolution, or (iii) the execution and delivery of the Authority Documents, has been repealed, modified, amended, revoked or rescinded; and

(C) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(ix) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, to the effect that:

(A) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California;

(B) The City Documents have been duly approved by a resolution of the City adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending or to the best of such counsel's knowledge after due inquiry, threatened, which: (1) challenges the right or title of any member or officer of the City to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the City Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its legal obligations under, the City Documents or in which a final adverse decision could materially adversely affect the operations of the City with respect to the Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the City of, and the performance by the City of its obligations under, the City Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(E) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the City Documents by the parties thereto other than the City, the City Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought;

(F) Except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the other financial transactions contemplated by the Official Statement and the City Documents; and

(G) Based on the information made available to the City Attorney in its role as City Attorney to the City, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to its attention which would lead it to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and

statistical data and forecasts included therein, and information relating to the Authority and the Depository Trust Company and its book entry system, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(x) An opinion or opinions, dated the Closing Date and addressed to the Underwriter and the Trustee, of the City Attorney, as counsel for the Authority, to the effect that:

(A) The Authority is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California pursuant to the JPA Agreement;

(B) The Authority Documents have been duly approved by the Authority Resolution adopted at a regular meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of the Authority was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;

(C) Except as described in the Official Statement, there is no litigation, inquiry, or investigation pending to the best of such counsel's knowledge after due inquiry, or threatened, which: (1) challenges the right or title of any Board member or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (2) challenges the validity or enforceability of the Bonds or the Authority Documents; (3) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its legal obligations under, the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority with respect to the Property; or (4) contests in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, nor, to the best of such counsel's knowledge, is there any basis therefor;

(D) The execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Authority Documents, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge;

(E) The Authority Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Authority Documents by the parties thereto other than the Authority, the Authority Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought;

(F) Except as may be required under the “blue sky” or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Authority Documents; and

(G) Based on the information made available to such City Attorney in its role as counsel to the Authority, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement under the captions entitled “THE AUTHORITY,” and “LITIGATION”, nothing has come to such City Attorney’s attention that would lead it to believe that the statements contained in the above-referenced captions as of the date of the Official Statement and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) An opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, substantially in the form set forth in Appendix D to the Official Statement, together with a letter or letters from such counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion was addressed to them;

(xii) A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the Bond Purchase Agreement has been duly executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City; and

(C) the statements contained in the Official Statement under the captions “THE BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “TAX MATTERS” and in APPENDIX B—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” and APPENDIX D—FORM OF BOND COUNSEL OPINION, insofar as such statements expressly summarize certain provisions of the Indenture, the Lease Agreement and the final opinion of Bond Counsel concerning certain tax matters relating to the Bonds, are accurate in all material respects;

(xiii) A letter, dated the Closing Date and addressed to the Authority, the City and the Underwriter of Quint & Thimmig LLP, as disclosure counsel (“Disclosure Counsel”), to the effect that, based on among other things, (i) inquiries and discussions of various legal matters, (ii) review of and reliance on certain documents, certificates, instructions, records and opinions of counsel, and (iii) participation in meetings and

telephone conferences with representatives of the Authority and the City, JNA Consulting Group, LLC, as municipal advisor to the City, and others including the City Attorney and Underwriter's counsel, during which the content of the Preliminary Official Statement and the Official Statement and related matters were discussed, no information has come to the attention of Disclosure Counsel with respect to the issuance of the Bonds which caused Disclosure Counsel to believe that (a) the Preliminary Official Statement as of its date or as of the Closing Date (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the Preliminary Official Statement, as to which we express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, Underwriter's discount and CUSIP numbers; or (b) the Official Statement as of its date and as of the Closing Date (excluding therefrom financial, demographic, statistical or economic or demographic data; forecasts, numbers, charts, tables, graphs, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system or CUSIP numbers; information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy; information under the captions "TAX MATTERS" and "UNDERWRITING"; and the Appendices to the Official Statement, as to which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, in providing advice and assistance as Disclosure Counsel, Disclosure Counsel provided no independent diligence on the MSRB's Electronic Municipal Market Access website, and we express no view regarding the City's or the City's related entities' compliance with any obligation to file annual reports or provide notice of events, each as described in Rule 15c2-12;

(xiv) the opinion of _____, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xv) A certificate of an authorized officer of the Trustee satisfactory to the Underwriter, certifying substantially as follows:

(A) The Trustee is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into the Indenture and to perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture and, when executed by the other parties thereto, the Indenture will constitute a legal, valid and binding obligation of the Trustee enforceable in accordance with its terms;

(C) The Bonds have been duly authenticated and delivered to the Underwriter pursuant to direction from the Authority;

(D) The Trustee is not in breach of or default under any law or administrative rule or regulation of the State of California or of any department, division, agency or instrumentality thereof, of any applicable court or administrative decree or order, or any other material instrument to which the Trustee is a party or is otherwise subject or bound and which would materially impair the ability of the Trustee to perform its obligations under the Indenture;

(E) To its knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way against the Trustee affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the execution, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds or the Indenture;

(F) The execution and delivery of the Indenture will not conflict with or constitute a breach of or default under the Trustee's duties under such documents, or any law, administrative regulation, court decree, resolution, articles of association, bylaws or other material agreement to which the Trustee is subject or by which it is bound; and

(G) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds, the execution and delivery of the Indenture, the performance of the Trustee's duties under the Indenture or the consummation by the Trustee of the other transactions contemplated by the Indenture, except as such may be required under the state securities or blue sky laws in connection with the distribution of the Bonds by the Underwriter;

(xvi) An opinion of counsel to the Trustee in form and substance acceptable to the Underwriter;

(xvii) Evidence, satisfactory to Bond Counsel and the Underwriter, of insurance, including a CLTA title insurance policy, in compliance with the Lease Agreement;

(xviii) 15c2-12 certificates of City and the Authority;

(xix) Certified copies of the City Resolution and the Authority Resolution;

(xx) copies of the Municipal Bond Insurance Policy and the Reserve Policy;

(xxi) an opinion of counsel to the Municipal Bond Insurer, addressed to the Authority, the City and the Underwriter to the effect that:

(A) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy included in the Official Statement are accurate;

(B) the Municipal Bond Insurance Policy and the Reserve Policy constitute the legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(C) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxii) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(A) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy and the Reserve Policy is true and accurate and

(B) as to such other matters as the Authority, the City or the Underwriter may reasonably request;

(xxiii) Evidence, satisfactory to the Underwriter, that the Bonds have been assigned the insured rating of "AA" and an underlying rating of "____" by S&P Global Ratings, a Standard & Poor's Financial Services LLC business;

(xxiv) The Blanket Letter of Representations of the Authority to DTC, relating to the book-entry only system;

(xxv) Transcripts of all proceedings relating to the authorization, issuance, execution and delivery of the Bonds certified by the City and the Authority as applicable; and

(xxvi) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City and the Authority on or prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by each of them.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to Bond Counsel, Disclosure Counsel and the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority or the City shall be under any further obligation hereunder.

10. Termination. The Underwriter shall have the right to terminate the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay

for the Bonds by notifying the Authority and the City in writing, of its election to do so, if, after the execution hereof and prior to the Closing:

(a) the United States has become engaged in, or there has been an escalation of, hostilities which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(b) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(c) an event shall have occurred, or been discovered as described in paragraph (k) of Section 6 or paragraph (l) of Section 7 hereof, which in the opinion of the Underwriter requires the preparation and publication of disclosure material or a supplement or amendment to the Official Statement;

(d) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency in the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds;

(e) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Authority's or the City's obligations;

(f) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the execution, issuance, delivery, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby or by the Official Statement;

(g) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(h) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker-dealers;

(i) trading in securities on the New York Stock Exchange or other national securities exchange or association shall have been suspended or limited or minimum prices have been established on either such exchange;

(j) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United

States municipal securities market; or as of the date hereof that in the Underwriter's reasonable opinion materially adversely affects the marketability or market price of the Bonds; or

(k) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

If this Bond Purchase Agreement shall be terminated pursuant to this Section 10, or if the purchase provided for herein is not consummated because any condition to the Underwriter's obligations hereunder is not satisfied or because of any refusal, inability or failure on the part of the City or the Authority to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the City or the Authority shall be unable to perform all of its respective obligations under this Bond Purchase Agreement, neither the City nor the Authority shall be liable to the Underwriter for damages on account of loss of anticipated profits arising out of the transactions covered by this Bond Purchase Agreement. The Underwriter may, in its sole discretion, waive any of the conditions set forth in Section 9 or this Section 10.

11. Changes in Official Statement. After the Closing, neither the Authority nor the City will adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing.

12. Payment of Costs and Expenses.

(a) All costs and expenses incident to the sale and delivery of the Bonds to the Underwriter shall be payable by the Authority from the proceeds of the Bonds, including, but not limited to: (i) the fees and expenses of the City, its counsel and consultants; (ii) the fees and expenses of the Authority, its counsel and consultants; (iii) the fees and expenses of Bond Counsel; (iv) the fees and expenses of Disclosure Counsel; (v) the fees and expenses of CSG Advisors Incorporated, the City's municipal advisor; (vi) all expenses in connection with the preparation and printing of the Bonds; (vii) all expenses in connection with the preparation, printing, distribution and delivery of the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (viii) the initial fees and expenses of the Trustee, including the reasonable fees and expenses of its counsel; (ix) the fees and expenses of any rating agency rating the Bonds; and (x) any credit enhancement costs for the Bonds.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's counsel, if any, and (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including, air travel and hotel accommodations in connection with the pricing of the Bonds; investor meetings, rating agency trips and meetings; the Closing; meals and transportation for the City, the Underwriter and other working group personnel during rating agency, investor meetings; pricing and Closing trips; expenses related to attending working group meetings, such as parking, meals and transportation and any other miscellaneous costs associated with the Closing; (iv) all other expenses incurred by the Underwriter in connection with the public offering and distribution of Bonds, except as provided in (a) above or as otherwise agreed to by the Underwriter and the City, and (v) the fees of the California Debt and Investment Advisory Commission.

13. Notices. Any notice or other communication to be given under this Bond Purchase Agreement may be given by delivering the same in writing:

To the Authority: Brisbane/Guadalupe Valley Municipal Improvement District
Financing Authority
c/o City of Brisbane
50 Park Place
Brisbane, CA 94005
Attention: Executive Director

To the City: City of Brisbane
50 Park Place
Brisbane, CA 94005
Attention: City Manager

To the Underwriter Oppenheimer & Co. Inc., as Underwriter
580 California Street, Suite 2300
San Francisco, CA 94104
Attention: _____

14. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Authority's and the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter; (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement; and (c) any termination of this Bond Purchase Agreement.

15. Determination of End of the Underwriting Period. For purposes of this Bond Purchase Agreement, the end of the underwriting period for the Bonds shall mean the earlier of (a) the Closing Date unless the City and the Authority have been notified in writing by the Underwriter, on or prior to the Closing Date, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing Date, or (b) the date on which notice is given to the City and the Authority by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City and the Authority pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the Closing Date, the Underwriter agrees to notify the City and the Authority in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule. The Underwriter agrees to file a copy of the Official Statement with each of the nationally recognized municipal securities information repositories.

16. No Assignment. This Bond Purchase Agreement is entered into between the City, the Authority and the Underwriter, and is solely for the benefit of the City, the Authority, the Underwriter and their respective successors or assigns, and no person other than the foregoing shall acquire or have any right under or by virtue of this Bond Purchase Agreement. All of the representations, warranties and agreements contained in this Bond Purchase Agreement shall survive the delivery of and payment for the Bonds and any termination thereof.

17. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance by an authorized representative of the City and an authorized representative of the Authority and shall be valid and enforceable at the time of such acceptance.

18. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

19. Governing Law. This Bond Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

20. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

If the foregoing is in accordance with your understanding of this Bond Purchase Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the City, the Authority and the Underwriter in accordance with its terms.

Very truly yours,

OPPENHEIMER & CO. INC., as Underwriter

By _____
Name _____
Title _____

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY

By _____
Clayton L. Holstine
Executive Director

Time of Execution: _____

CITY OF BRISBANE

By _____
Clayton L. Holstine
City Manager

Time of Execution: _____

EXHIBIT A

**MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, PRICES AND YIELDS**

\$ _____
**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY**
Lease Revenue Bonds, Series 2023

<u>Maturity (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
-----------------------------	-----------------------------	--------------------------	--------------	--------------

c Priced to the 5/1/____ par call date.
T Term Bonds

Redemption Provisions

Optional Redemption. The Bonds maturing on or after May 1, _____, are subject to optional redemption, in whole or in part, on any date on or after May 1, _____, in denominations of \$5,000 or any integral multiple thereof, from and to the extent of prepaid Lease Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with a stated maturity on May 1, _____, are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after May 1, _____, to and including May 1, _____, in integral multiples of \$5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<u>Mandatory Sinking Account Payment Dates (November 1)</u>	<u>Mandatory Sinking Account Payments</u>
---	---

† Maturity

Special Mandatory Redemption from Insurance or Condemnation Proceeds. The Bonds shall be subject to redemption, in whole or in part, on any date, in denominations of \$5,000 or any integral multiple thereof, from and to the extent of: (i) Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, and (ii) eminent domain proceeds received pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

EXHIBIT B**ISSUE PRICE CERTIFICATE**

\$ _____
**BRISBANE/GUADALUPE VALLEY MUNICIPAL
 IMPROVEMENT DISTRICT FINANCING AUTHORITY**
Lease Revenue Bonds, Series 2023

The undersigned, Oppenheimer & Co. Inc., as underwriters ("Oppenheimer"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

I. General

1. Oppenheimer and the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority and City of Brisbane (collectively, the "Issuer") have executed a bond purchase agreement in connection with the Bonds on the Sale Date. Oppenheimer has not modified the bond purchase agreement since its execution on the Sale Date.

II. Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

III. Defined Terms

1. Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

2. Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a "Related Party" to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is June 15, 2023.

5. Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with _____ to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

All terms not defined herein shall have the same meanings as in the Tax Certificate with respect to the Bonds, to which this Certificate is attached.

IV. Credit

_____ has calculated that the present value of the amounts paid to obtain the _____ (the "Municipal Bond Insurer") municipal bond insurance policy and reserve fund municipal bond insurance policy (the "Policies"), using as the discount factor for this purpose the expected Yield with respect to the Bonds treating the fee paid as interest with respect to the Bonds.

To the best of _____'s knowledge, the fee paid to obtain the Policies was determined in arm's-length negotiations and was required as a condition to the issuance by the Municipal Bond Insurer of the Policies.

The Issuer may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that Oppenheimer is not an accountant or actuary, nor is Oppenheimer engaged in the practice of law. Accordingly, while Oppenheimer believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: June 29, 2023

OPPENHEIMER & CO. INC., as Underwriter

By _____
Name _____
Title _____

SCHEDULE A TO ISSUE PRICE CERTIFICATE

\$ _____
BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY
Lease Revenue Bonds, Series 2023

Maturity (May 1)	Principal Amount	Interest Rate	Price
---------------------	---------------------	------------------	-------

_____ c Priced to the 5/1/____ par call date.
T Term maturity

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF BRISBANE, CALIFORNIA (the “City”) in connection with the issuance by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the “Authority”) of its \$_____ Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2023 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Pursuant to Section 5.11 of that certain Lease Agreement, dated as of June 1, 2023, by and between the Authority and the City, the City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the City’s fiscal year (currently March 31 based on the City’s fiscal year end of June 30).

“*Dissemination Agent*” shall mean, initially, NBS or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on November 1 in any year and extending to the next succeeding September 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a certificate of the City filed with the Trustee.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Oppenheimer & Co. Inc., the original Underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2024, with the report for fiscal year 2022-23 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, of the type provided in Tables ____ and ____ in the official statement for the Bonds in the section therein entitled "CITY FINANCIAL INFORMATION."

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018) or any further guidance or release provided by the SEC.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination

set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article IX of the Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

City:	City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: Finance Director
Dissemination Agent:	NBS 62605 Temecula Parkway, Suite 100 Temecula, CA 92592 Attention: _____
Participating Underwriter:	Oppenheimer & Co. Inc. 580 California Street, Suite 2300 San Francisco, CA 94104 Attention: _____

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: June 29, 2023

NBS, as Dissemination Agent

By _____
Authorized Signatory

EXHIBIT A**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Obligor: City of Brisbane, California

Names of Issues: \$_____ Brisbane / Guadalupe Valley Municipal Improvement District
Financing Authority Lease Revenue Bonds, Series 2023

Date of Issuance: June 29, 2023

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated June 29, 2023, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

NBS, as Dissemination Agent

By _____
Name _____
Title _____

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 6, 2023**NEW ISSUE—FULL BOOK ENTRY**

RATING:
S&P: “ ”
 See “RATING” herein.

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Authority and the City with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See “TAX MATTERS” herein.



\$ _____ *

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
 IMPROVEMENT DISTRICT FINANCING AUTHORITY**
 (San Mateo County, California)
Lease Revenue Bonds, Series 2023

Dated: Date of Delivery**Due: May 1, as shown on the inside cover**

The \$ _____ * Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the “Bonds”), are being issued by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority, a joint exercise of powers entity organized and existing under the laws of the State of California (the “Authority”), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code, resolutions adopted by the Authority and the City of Brisbane (the “City”) and an Indenture of Trust, dated as of June 1, 2023 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds are being issued to (a) finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes, and (b) pay the costs of issuance of the Bonds. See “THE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. The Bonds are secured by a pledge of and lien on the Revenues (as defined herein), consisting primarily of Lease Payments (as defined herein).

The City will lease certain real property and the improvements thereon (collectively, the “Property”) from the Authority pursuant to a Lease Agreement, dated as of June 1, 2023 (the “Lease Agreement”), by and between the Authority and the City. Under the Lease Agreement, the City is required to make Lease Payments from legally available funds in amounts calculated to be sufficient to pay principal of and interest on the Bonds. All of the Authority’s right, title and interest in and to the Lease Agreement (except for the right to receive any Additional Payments (as defined herein) to the extent payable to the Authority and certain rights to indemnification), including the right to receive Lease Payments under the Lease Agreement, will be assigned to the Trustee under the Indenture for the benefit of the Bondholders. See “SECURITY FOR THE BONDS” herein. The obligation of the City to make Lease Payments and Additional Payments is subject to abatement during any period in which, by reason of damage, destruction or a taking by eminent domain, there is substantial interference with the use and occupancy by the City of any portion of the Property. A reserve fund will not be funded for the Bonds.

The Bonds are subject to redemption as described herein. See “THE BONDS—Redemption” herein.

The Bonds are issuable in denominations of \$5,000 and any integral multiple thereof. Interest on the Bonds is payable on May 1 and November 1 of each year, commencing November 1, 2023. See “THE BONDS” herein. The Bonds will be delivered in fully registered form only, and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by the Trustee to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS” herein and APPENDIX E—BOOK-ENTRY ONLY SYSTEM.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY CERTAIN PROCEEDS OF THE BONDS HELD IN CERTAIN FUNDS AND ACCOUNTS PURSUANT TO THE INDENTURE AND THE REVENUES DERIVED FROM LEASE PAYMENTS AND OTHER PAYMENTS MADE OR CAUSED TO BE MADE BY THE CITY PURSUANT TO THE LEASE AGREEMENT. THE CITY HAS COVENANTED IN THE LEASE AGREEMENT TO TAKE SUCH ACTIONS AS MAY BE NECESSARY TO INCLUDE ALL LEASE PAYMENTS DUE THEREUNDER IN ITS ANNUAL GENERAL FUND BUDGETS AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS THEREFOR. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

MATURITY SCHEDULE**SEE INSIDE COVER**

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued, and received by the Underwriter, subject to the approval as to their validity by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority and the City by the City Attorney, and by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel. It is anticipated that the Bonds will be available for delivery through DTC on or about June 29, 2023.



Dated: June __, 2023

*Preliminary, subject to change.

\$ _____ *

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY**
(San Mateo County, California)
Lease Revenue Bonds, Series 2023

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS*

CUSIP† Prefix: _____

Maturity May 1	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
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\$ _____ % Term Bonds maturing April 1, _____; Price: _____%, to yield _____%; CUSIP† _____

*Preliminary, subject to change.

† Copyright 2023, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the Bonds. None of the Authority, the City nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the Authority with respect to the Bonds that has been deemed "final" by the Authority and the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority, the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth in this Official Statement has been obtained from official sources and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation of the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the Authority's or the City's forecasts in any way, regardless of the level of optimism communicated in the information. The Authority is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See "CONTINUING DISCLOSURE" herein.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The execution, sale and delivery of the Bonds has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The City maintains a website, however, the information presented therein is not a part of this Official Statement and should not be relied on in making an investment decision with respect to the Bonds.

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CITY OF BRISBANE LOCATION MAP



BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY

CITY OF BRISBANE

50 Park Place
Brisbane, CA 94005-1310
(415) 508-2100
<https://www.brisbaneca.org>

AUTHORITY BOARD AND CITY COUNCIL MEMBERS

Madison Davis, *Chair/Mayor*
Terry O'Connell, *Vice Chair/Mayor Pro Tem*
Karen Cunningham, *Boardmember/Councilmember*
Cliff Lentz, *Boardmember/Councilmember*
Coleen Mackin, *Boardmember/Councilmember*

AUTHORITY AND CITY OFFICIALS

Clayton L. Holstine, *Executive Director/City Manager*
Carolina Yuen, *Finance Director/Treasurer*
Randy Breault, *Public Works Director*
Ingrid Padilla, *Secretary/City Clerk*
Manatt, Phelps & Phillips, LLP, *Agency Counsel/City Attorney*

PROFESSIONAL SERVICES

JNA Consulting Group, LLC
Boulder City, Nevada
Municipal Advisor

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California
Trustee

Quint & Thimmig LLP
Larkspur, California
Bond Counsel and Disclosure Counsel

\$ _____ *

**BRISBANE/GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT FINANCING AUTHORITY
(San Mateo County, California)
Lease Revenue Bonds, Series 2023**

INTRODUCTION

The following introduction presents a brief description of certain information in connection with the Bonds (as defined below) and is qualified in its entirety by reference to the entire Official Statement and the documents summarized or described herein. References to, and summaries of, provisions of the Constitution and the laws of the State of California (the “State”) and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof. Capitalized terms used in this Official Statement and not defined elsewhere herein have the meanings given such terms in the Indenture. See APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS—Definitions.

General Description

This Official Statement, including the cover page, the inside cover page and the attached appendices (this “Official Statement”), provides certain information concerning the issuance of \$ _____ * aggregate principal amount of Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the “Bonds”), by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority, a joint exercise of powers entity organized under the laws of the State (the “Agency”). The Bonds are being issued pursuant to Article 4, Chapter 5, Division 7, Title 1 (commencing with section 6584) of the California Government Code, a resolution of the Authority authorizing the issuance of the Bonds, adopted on June 1, 2023 (the “Authority Resolution”), and an Indenture, dated as of June 1, 2023 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

The Bonds are being issued to (a) finance the costs of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes (the “2023 Project”), and (d) pay the costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “THE PROJECT.”

Terms of the Bonds

The Bonds will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds is payable semiannually on each May 1 and November 1 (each, an “Interest Payment Date”), commencing November 1, 2023, computed at the respective rates of interest set forth on the inside cover page of this Official Statement. The Bonds will be issuable in denominations of \$5,000 or any integral multiple thereof. The Bonds are subject to optional and mandatory redemption as described herein. See “THE BONDS.”

* Preliminary, subject to change.

Book-Entry Only

The Bonds will be issuable in fully registered form only and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository of the Bonds and all payments due on the Bonds will be made to DTC or its nominee. Ownership interests in the Bonds may be purchased in book-entry form only. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

Source of Payment for the Bonds

Pursuant to the Site and Facility Lease, dated as of June 1, 2023 (the “Site and Facility Lease”), by and between the City and the Authority, the City will lease to the Authority certain real property and certain facilities and improvements located thereon (the “Property”) owned by the City. See “THE PROPERTY.” Concurrently, the City will sublease the Property from the Authority pursuant to a Lease Agreement, dated as of June 1, 2023 (the “Lease Agreement”), by and between the Authority and the City. Under the Lease Agreement, subject to abatement as provided therein, the City is required to make lease payments (the “Lease Payments”) from legally available funds for use and occupancy of the Property in amounts calculated to be sufficient to pay principal of and interest on the Bonds when due. The City has covenanted in the Lease Agreement to take such action as may be necessary to include the Lease Payments in each of its annual budgets during the term of the Lease Agreement and has further covenanted to make the necessary annual appropriations for all such Lease Payments. All of the Authority’s right, title and interest in and to the Lease Agreement (apart from certain rights to receive Additional Payments to the extent payable to the Authority and to indemnification), including the right to receive Lease Payments under the Lease Agreement, are assigned to the Trustee under the Indenture for the benefit of the Bondowners.

Except to the extent of amounts otherwise available to the City for payments under the Lease Agreement, during any period in which, by reason of material damage, destruction or condemnation there is substantial interference with the use and occupancy by the City of any portion of the Property, Lease Payments will be adjusted or abated in an amount agreed upon by the City and the Authority such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged or destroyed or the portion of the Property completed and available for use and possession by the City. Such adjustment or abatement will end with the substantial replacement or reconstruction of the Property. To the extent proceeds of rental interruption insurance are available or there are moneys in the Insurance and Condemnation Fund or Revenue Fund, the Lease Agreement provides there will be no abatement of Lease Payments. See “SECURITY FOR THE BONDS—Abatement.”

The Bonds are special limited obligations of the Authority payable solely from and secured by the Revenues and certain other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established under the Indenture and pledged therefor, and the Revenues may not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that the Revenues may be applied for such other purposes as are permitted under the Indenture. “Revenues” means (i) all Lease Payments and other amounts paid, or caused to be paid, by the City, and received by the Authority pursuant to the Lease Agreement (but not Additional Payments), and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Indenture (other than the Rebate Fund).

No Additional Bonds

The Authority may not issue additional bonds, notes or other indebtedness that would be payable out of the Revenues in whole or in part. See “SECURITY FOR THE BONDS—Additional Bonds.”

The Authority

The Authority is a joint exercise of powers entity formed on September 18, 2014, by agreement between the City and the Guadalupe Valley Municipal Improvement District pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code. See “THE AUTHORITY.”

The City

The City, located in San Mateo County (the “County”), was incorporated on November 27, 1961, as a general law city under the laws of the State. San Francisco lies to the north of the City, the City of Daly City to the northwest, the City of South San Francisco to the southeast, and unincorporated lands of San Mateo County to the south and west. The San Bruno Mountain range surrounds the City to west and the San Francisco Bay is the easterly border of the City. The City’s borders encompass approximately 20.1 square miles (3.1 sq. mi. land and 17 sq. mi. or 85% water). The main arterial road in the City is Bayshore Boulevard, which continues north to San Francisco and south to South San Francisco and San Francisco International Airport. U.S. Route 101 also goes past the city on the eastern side adjacent to San Francisco Bay. The City is part of the general San Francisco/Silicon Valley area with a largely commuter workforce.

The City operates under the Council-Manager form of municipal government. The City Council of the City (the “City Council”) is comprised of five members elected at large to all four-year terms. Two City Council members are elected in November of one odd-numbered year and three are elected in the following odd-numbered year. From among its members, the City Council selects the Mayor for a one year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for implementing the policy decisions of the City Council and supervises all operations of the City’s government through heads of departments including Community Development, Public Works and Marina, Police, Fire, Administrative Services, and Parks and Recreation.

The City provides a wide range of municipal services, including police and fire protection, water and sewer utilities, street maintenance, parks and recreation, planning, building and safety, marina and other general government services. See “THE CITY,” “CITY FINANCIAL INFORMATION,” APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY and APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2022.

Limited Liability

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED SOLELY BY CERTAIN PROCEEDS OF THE BONDS HELD IN CERTAIN FUNDS AND ACCOUNTS PURSUANT TO THE INDENTURE AND THE REVENUES DERIVED FROM LEASE PAYMENTS AND OTHER PAYMENTS MADE OR CAUSED TO BE MADE BY THE CITY PURSUANT TO THE LEASE AGREEMENT. THE AUTHORITY IS NOT OBLIGATED TO PAY INTEREST ON OR PRINCIPAL OF THE BONDS EXCEPT FROM THE REVENUES. THE CITY HAS COVENANTED IN THE LEASE AGREEMENT TO TAKE SUCH

ACTIONS AS MAY BE NECESSARY TO INCLUDE ALL LEASE PAYMENTS DUE THEREUNDER IN ITS ANNUAL BUDGETS AND TO MAKE THE NECESSARY ANNUAL APPROPRIATIONS THEREFOR. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Continuing Disclosure

The ultimate security for the payments of principal and interest on the Bonds comes from the Lease Payments to be made by the City, and, therefore, the City, as an obligated person within the meaning of the Rule (as defined below), has agreed to undertake the continuing disclosure responsibilities required by the Rule. The Authority has not undertaken a commitment to provide any continuing disclosure required by the Rule.

The City will covenant in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) to provide, or cause to be provided, to each nationally recognized municipal securities information repository and any public or private repository or entity designated by the State as a state repository and any public or private repository for purposes of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “Rule”) certain annual financial information and operating data of the type set forth herein including, but not limited to, its audited financial statements and, in a timely manner, notice of certain material events. See “CONTINUING DISCLOSURE” and APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE for a description of the specific nature of the annual report and notices of material events and a summary description of the terms of the Continuing Disclosure Certificate pursuant to which such reports and notices are to be made.

Tax Matters

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Authority and the City with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See “TAX MATTERS.”

Certain Risk Factors

Certain events could affect the ability of the City to make the Lease Payments when due. See “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

Other Information

The descriptions herein of the Indenture, the Lease Agreement and any other agreements relating to the Bonds are qualified in their entirety by reference to such documents, and the descriptions herein of the Bonds are qualified in their entirety by the forms thereof and the information with respect thereto included in the aforementioned documents. See APPENDIX D—SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS. Copies of the documents are on file and, upon request and payment to the City of a charge for copying, mailing and handling, from the City Manager, City of Brisbane, 50 Park Place, Brisbane, CA 94005-1310, Telephone: (415) 508-2100.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement, under any circumstances, creates any implication that there has been no change in the affairs of the City or the Authority since the date hereof.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City or the Authority. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds realized upon the sale of, or in connection with, the Bonds as follows:

Estimated Sources:

Principal Amount of Bonds	
Plus: Original Issue Premium	
Total Sources	<u> </u>

Estimated Uses:

Deposit to Project Fund	
Costs of Issuance Fund ⁽¹⁾	
Total Uses	<u> </u>

(1) Includes, but is not limited to, the Underwriter's discount, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee and the rating agency, costs of publishing the Official Statement and other costs incurred by the Authority and the City in connection with the issuance and delivery of the Bonds.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service due on the Bonds.

Bond Year Ending May 1	Principal ⁽¹⁾	Interest	Total

TOTALS			

(1) Includes, sinking fund installments.

Pursuant to the Lease Agreement, the City is required to make Lease Payments which have been calculated to be sufficient to make the interest and principal payments due on the Bonds. The City's Lease Payments are due on the fifteenth calendar day of the month preceding each Interest Payment Date.

THE PROPERTY

The Property consists of

Mission Blue Community Center, 475 Mission Blue Drive, Brisbane, CA. Built in 2000, this 6,000 square foot facility has seating for up to 200 dining guests is located in the Northeast Ridge district and offers panoramic views of San Bruno Mountain and the San Francisco Bay and is available for event rentals.

Municipal Pool, 2 Solano Street, Brisbane, CA. Built in 2000 in part by funds from the Northeast Ridge Development, the pool is a 75-foot length outdoor pool (total 4,200 sq. ft.) with a zero-depth entry pool for disability access, using solar and conventional heating. The pool is surrounded by landscaping and sheltered stations which can be rented for gatherings.

Old Community Center, 250 Visitacion Avenue, Brisbane, CA. Built in 1979, this two-story facility is located in Downtown Brisbane with a total size of approximately 5,500 square feet. The top floor is approximately 2,000 square feet and can be rented out for events, seating up to 70 guests.

THE 2023 PROJECT

The 2023 Project consists of tenant improvements to, and related equipment and furnishings for, a building at 25 Park Place leased by the City and used for municipal purposes.

THE BONDS

General

The Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on May 1 in each of the years and in the amounts, and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the inside cover page hereof.

Interest on the Bonds will be payable semiannually on each May 1 and November 1, commencing November 1, 2023 (each, an “Interest Payment Date”), to the person whose name appears on the Registration Books as the Owner thereof as of the fifteenth calendar day of the month immediately preceding each such Interest Payment Date (each, a “Record Date”), such interest to be paid by check of the Trustee mailed by first-class mail to the Owners at the respective addresses of such Owners as they appear on the Registration Books; provided, however, that payment of interest may be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who furnishes written wire instructions to the Trustee at least five days before the applicable Record Date. Principal of any Bond will be paid by check of the Trustee upon presentation and surrender thereof at the corporate trust office of the Trustee, except as provided in APPENDIX G—BOOK-ENTRY ONLY SYSTEM. Principal of and interest on the Bonds will be payable in lawful money of the United States of America.

Each Bond will be dated as of its date of delivery and will bear interest from the Interest Payment Date next preceding such date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest

Payment Date, or (b) it is authenticated on or before October 15, 2023, in which event it will bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC,” and together with any successor securities depository, the “Securities Depository”). DTC will act as Securities Depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners thereof means Cede & Co. as aforesaid, and not the Beneficial Owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

Transfer and Exchange of Bonds

Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any Bond will not be permitted by the Trustee during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption pursuant to the Indenture. Whenever any Bond or Bonds are required to be surrendered for transfer, the Authority will execute, and the Trustee will authenticate and will deliver a new Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Bond may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of like maturity. Exchange of any Bond will not be permitted during the period established by the Trustee for selection of Bonds for redemption or if such Bond has been selected for redemption. The Trustee may require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Redemption

Optional Redemption. The Bonds maturing on and before May 1, ____, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, ____, are subject to optional redemption prior to their respective stated maturities, at the written direction of the Authority, from moneys deposited by the Authority or the City, in whole or in part, in such order of maturity as the City designates (and, if no specific order of redemption is designated by the City, in inverse order of maturity), on any date on or after May 1, ____, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with a stated maturity on May 1, _____, are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, _____, to and including May 1, _____, in integral multiples of \$5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Mandatory Sinking Account Payment Dates (May 1)	Mandatory Sinking Account Payments
_____	_____

† Maturity

The Bonds with a stated maturity on May 1, _____, are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, _____, to and including May 1, _____, in integral multiples of \$5,000 at a Redemption Price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Mandatory Sinking Account Payment Dates (May 1)	Mandatory Sinking Account Payments
_____	_____

† Maturity

Extraordinary Redemption from Insurance or Condemnation Proceeds. The Bonds are also subject to redemption as a whole, or in part on a pro rata basis among maturities then outstanding, as determined by the Trustee in its sole discretion, on any date, in integral multiples of \$5,000, to the extent of prepayments made by the City from insurance proceeds or condemnation proceeds not used to repair, reconstruct or replace any portion of the Property damaged or destroyed or elected by the City to be used for such purpose, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of less than all of the Bonds of a particular maturity, the Trustee will select the Bonds to be redeemed from all Bonds of such maturity or such given portion thereof not previously called for redemption, by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Notice of Redemption

Notice of redemption will be mailed by first-class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books maintained by the Trustee, and to the Municipal Securities Rulemaking Board, the Securities Depositories and the Information Services. Each notice of redemption will state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed, the maturity or maturities of the Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon will cease to accrue and will require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Any notice of optional redemption of the Bonds may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, (i) said notice shall be of no force and effect, (ii) the City shall not be required to redeem such Bonds ; (iii) the redemption shall be cancelled and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the owner of any Bonds of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

So long as the book-entry system is used for the Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered Owners of Bonds only to DTC. Any failure of DTC to advise any Participant, or of any Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on such notice. Beneficial Owners may desire to make arrangements with a Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners, and notification of all interest payments, will be forwarded in writing by such Participant. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

Partial Redemption of Bonds

Upon surrender of any Bonds redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

Effect of Redemption

If notice of redemption has been given, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption are being held by the Trustee, on the redemption date designated in such notice, the Bonds

(or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed pursuant to the provisions of the Indenture will be canceled by the Trustee upon surrender thereof and destroyed.

SECURITY FOR THE BONDS

General

The Bonds are special limited obligations of the Authority payable solely from and secured solely by the Revenues pledged therefor under the Indenture, together with amounts on deposit from time to time in the funds and accounts held by the Trustee, including proceeds of the sale of the Bonds.

Under the Indenture, the Authority assigns to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the rights of the Authority in the Lease Agreement (except for the right to receive any Additional Payments to the extent payable to the Authority and certain rights to indemnification set forth therein). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority are required to be held, and to have been collected or received, by the Authority as the agent of the Trustee and must be paid by the Authority to the Trustee.

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REVENUES AND OTHER MONEYS PLEDGED THERETO IN THE INDENTURE. THE BONDS ARE NOT A DEBT OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS AND NEITHER THE AUTHORITY, THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS, EXCEPT THE AUTHORITY TO THE EXTENT DESCRIBED HEREIN, IS LIABLE THEREON. IN NO EVENT WILL THE BONDS OR ANY INTEREST OR REDEMPTION PREMIUM THEREON BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS SET FORTH IN THE INDENTURE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSONS EXECUTING THE BONDS ARE LIABLE PERSONALLY ON THE BONDS BY REASON OF THEIR ISSUANCE.

Lease Payments and Additional Payments

The Lease Agreement requires the City, subject to abatement as provided therein, to deposit with the Trustee, as assignee of the Authority, on each April 15 and October 15, commencing on October 15, 2023 (the "Lease Payment Dates"), an amount equal to the aggregate Lease Payment coming due and payable on each such Lease Payment Date. The Lease Payments payable in any fiscal year of the City constitute payment for the use and possession of the Property during such fiscal year. The City will receive a credit towards payment of Lease Payments for amounts on deposit in the Revenue Fund (including the Interest Account and the Principal Account therein) on each Lease Payment Date.

The obligation of the City to make Lease Payments is subject to annual appropriations of the City from funds lawfully available therefor. The obligation of the City to make Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the full faith and credit nor the taxing power of the City, the State or any of its political subdivisions is pledged to make Lease Payments under the Lease Agreement. The Authority has no taxing power. The Lease Payments are calculated to be sufficient to pay, when due, the principal of and interest on the Bonds.

In addition to the Lease Payments, the City is required to pay when due the following Additional Payments: (a) any fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Property as and when the same become due and payable; (b) any amount due to the Trustee pursuant to the terms of the Indenture; (c) any reasonable fees and expenses of such accountants, consultants, attorneys, and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Lease Agreement or the Indenture; and (d) any reasonable out-of-pocket expenses of the Authority in connection with the execution and delivery of the Lease Agreement, the Indenture or the Continuing Disclosure Certificate or in connection with the issuance of the Bonds.

Pursuant to the Lease Agreement, the City covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due thereunder in its annual budgets and to make annual appropriations therefor. As provided in the Lease Agreement, the covenants of the City thereunder are duties imposed by law, and it is the duty of each and every public official of the City to take such action and to do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the City.

Lease Payments made by the City to the Authority are payable from any revenues lawfully available to the City therefor. The Lease Agreement and the Indenture require that Lease Payments be deposited in the Revenue Fund maintained by the Trustee, which fund is held for the benefit of the owners of the Bonds.

California law requires, and the Lease Agreement provides, that Lease Payments are required to be abated in whole or in part during any period in which there is substantial interference with the use and occupancy of the Property by the City due to damage, destruction or taking in eminent domain proceedings. Under these circumstances, failure to make any Lease Payment will not be an event of default under the Lease Agreement. See “SECURITY FOR THE BONDS—Abatement” below.

Insurance and Condemnation Awards

In the event of any damage to or destruction of any part of the Property covered by insurance, the Authority, except as hereinafter provided, is required to cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Property, and the Trustee is required to hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds, to the end that such proceeds are required to be applied to the repair, reconstruction or replacement of the Property to at least the same good order, repair and condition as was the case prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee is required to invest said proceeds in Permitted Investments pursuant to the Written Request of the City, as agent for the Authority under the Lease Agreement, and withdrawals of said proceeds are required to be made from time to time upon the filing of a Written Request of the City with

the Trustee, stating that the City has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Property, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. The City is required to file a written certificate with the Trustee to the effect that sufficient funds from insurance proceeds or from any funds legally available to the City, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Property. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance are required to be treated by the Trustee as Lease Payments. Alternatively, the City, at its option, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Property, or that portion, in the case of partial damage or destruction of the Property, of the Lease Payments relating to the damaged or destroyed portion of the Property, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Property and thereupon is required to cause said proceeds to be used for the redemption of Outstanding Bonds. The City is not required to apply the proceeds of insurance to redeem the Bonds in part due to damage or destruction of a portion of the Property unless the Trustee receives a written certificate of the Authority to the effect that the Lease Payments on the undamaged portion of the Property will be sufficient to pay the initially scheduled principal and interest on the Bonds remaining unpaid after such redemption.

No assurance can be given that the proceeds of any insurance or condemnation award will be sufficient under all circumstances to repair or replace any damaged or taken Property or to prepay all Lease Payments with respect to the Property. Also, the City makes no representation as to the sufficiency of any insurance awards or the adequacy of any self-insurance to pay, when and as due, amounts payable under the Lease Agreement or the Bonds.

Abatement

The Lease Agreement provides for the abatement of Lease Payments during any period in which by reason of damage to or destruction of the Property (other than by eminent domain which may cause abatement of Lease Payments as described below), which causes substantial interference with the use and occupancy by the City of the Property or any portion thereof. The amount of such abatement will be an amount agreed upon by the City and the Authority such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Property not damaged or destroyed or the portion of the Property completed and available for use and possession by the City. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Lease Agreement will continue in full force and effect and the City waives any right to terminate the Lease Agreement by virtue of any such damage and destruction. There will be no abatement of the Lease Payments to the extent that moneys derived from any person as a result of such damage or destruction are available to pay the amount which would otherwise be abated or if there is any money available in the Bond Fund to pay the amount which would otherwise be abated. See “—Insurance—Rental Interruption Insurance.”

If all of the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Lease Agreement will terminate with respect to the Property as of the day possession is so taken. If less than all of the Property is taken permanently, or if all of the Property or any part thereof is taken temporarily under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect, and (b) there will be a partial abatement of Lease Payments in an amount to be agreed upon by the City and the Authority such that the

resulting Lease Payments for the Property represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Insurance

Fire and Extended Coverage Insurance. The City is required under the Lease Agreement to procure and maintain or cause to be procured and maintained, throughout the term of the Lease Agreement, insurance against loss or damage to any structures constituting any part of the Property by fire and lightning, with extended coverage insurance, vandalism, malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance is required to, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance is required to be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Property. The net proceeds of such insurance will be applied as provided under the caption “SECURITY FOR THE BONDS—Insurance and Condemnation Awards” above.

Rental Interruption Insurance. The Lease Agreement requires the City to procure and maintain or cause to be procured and maintained rental interruption insurance or use and occupancy insurance to cover loss, total or partial, of the use of the Property as a result of certain hazards, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24-month period. Such insurance may be maintained as part of or in conjunction with any other property insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained in the form of self-insurance except for a time element deductible not to exceed sixty days in duration. The proceeds of such insurance, if any, will be paid to the Trustee and deposited in the Revenue Fund, and will be credited towards the payment of the Lease Payments as the same become due and payable.

Title Insurance. The City is required to obtain upon the execution and delivery of the Lease Agreement, title insurance on the Property, in an amount not less than the aggregate principal amount of Bonds issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance are required to be delivered to the Trustee as a prepayment of rent and are required to be applied by the Trustee to the redemption of Bonds.

No Additional Bonds

Pursuant to the Indenture, the Authority may not issue additional bonds, notes or other indebtedness which would be payable out of the Revenues in whole or in part. See “THE AUTHORITY.”

THE AUTHORITY

The Authority is a joint exercise of powers authority created by and existing under the laws of the State established pursuant to that certain Joint Exercise of Powers Agreement joint exercise of powers agreement, dated September 18, 2014, as amended on October 2, 2014, between the City and the Guadalupe Valley Municipal Improvement District. The Authority is administered by a governing Board which consists of the members of the City Council. THE AUTHORITY IS NOT OBLIGATED IN ANY MANNER WHATSOEVER TO MAKE PAYMENTS WITH RESPECT TO THE BONDS FROM ANY SOURCE OTHER THAN LEASE PAYMENTS.

THE CITY

The City was incorporated on November 27, 1961, as a general law city under the laws of the State. The City of San Francisco lies to the north of the City, the City of Daly City to the northwest, the City of South San Francisco to the southeast, and unincorporated lands of San Mateo County to the south and west. The San Bruno Mountain range surrounds the City to west and the San Francisco Bay is the easterly border of the City. The City's borders encompass approximately 20.1 square miles (3.1 sq. mi. land and 17 sq. mi. or 85% water). The main arterial road in the City is Bayshore Boulevard, which continues north to San Francisco and south to South San Francisco and San Francisco International Airport. U.S. Route 101 also goes past the city on the eastern side adjacent to San Francisco Bay. The City is part of the general San Francisco/Silicon Valley area with a largely commuter workforce.

The City operates under the Council-Manager form of municipal government. The City Council is comprised of five members elected at large to all four-year terms. Two City Council members are elected in November of one odd-numbered year and three are elected in the following odd-numbered year. From among its members, the City Council selects the Mayor for a one-year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for implementing the policy decisions of the City Council and supervises all operations of the City's government through heads of departments including Community Development, Public Works and Marina, Police, Fire, Administrative Services, and Parks and Recreation.

The current members of the City Council and key administrative personnel of the City are listed at the front of this Official Statement.

The City provides a wide range of municipal services, including police and fire protection, water and sewer utilities, street maintenance, parks and recreation, planning, building and safety, marina and other general government services.

Sierra Point. Sierra Point is a small artificial peninsula located in the City that extends eastward into the San Francisco Bay to the east of U.S. Route 101. Sierra Point encompasses an area of 132 acres (53 ha) and is home to an office park, the Brisbane Marina, and two hotels that operate within the City. There are several class A office buildings at Sierra Point including the Dakin Building and the former Hitachi building. The San Francisco Bay Trail runs along the waterfront of the peninsula and continues south into the Oyster Point area of South San Francisco. Sierra Point has not been completely built out.

Brisbane Baylands. Located within the City is one of the largest undeveloped commercial parcels of land remaining in the County. This parcel, referred to as the "Brisbane Baylands" is generally bordered on the west by Bayshore Boulevard, north by the City and County of San Francisco, east by U.S. Hwy 101, and south by Brisbane Lagoon. The Brisbane Baylands encompasses about 570 upland/above ground acres (660 acres total). Physically, The Brisbane Baylands is largely undeveloped, comprising mainly of disturbed areas that were formerly part of the City of San Francisco's sanitary landfill. Since the landfill's closure in 1967, the Brisbane Baylands has been used as a repository for fill materials from construction sites in the region and for recycling of sand, dirt, gravel, and other construction materials. Currently, the Brisbane Baylands site is largely vacant, but currently houses a range of industrial uses along Bayshore Avenue and the Mission Blue Nursery farther to the south. On the East Side, the Golden State Lumber Yard maintains operation and Recology has a storage area for some of its equipment.

The development of the Brisbane Baylands is expected to take place over the next 30 years. In November 2018, the voters of the City passed Measure JJ, which amended the City's General Plan to allow for a range of 1,800 to 2,200 residential units and 6.5 million square feet of additional commercial development plus 500,000 square feet of hotel space. As the Brisbane Baylands was formerly a landfill and a railyard, extensive site remediation will be required before any future development can begin.

At the end of February of 2023, the property owner of the Brisbane Baylands, Baylands Development Inc ("BDI") submitted a proposed specific plan to the City for review (the "Proposed Specific Plan"). A specific plan is a tool to implement the General Plan for particular areas. A specific plan must be consistent with the City's General Plan. The specific plan will "run with the land," and any future or subsequent landowner(s) will be subject to the specific plan. Key issues addressed in the BDI's Proposed Specific Plan for the development of the Brisbane Baylands include soil remediation and land fill closure as the site was an historical railyard and garbage/waste dump. Other key issues addressed in the Proposed Specific Plan involve securing a source of water from the San Francisco Public Utility Commission.

The Brisbane Baylands will also require significant investment for infrastructure of roads, water, sewer, stormwater and other public works requirements. The City will also be developing a Development Agreement between the BDI and the City to ensure all City's needs are met (the "Development Agreement"). The Development Agreement will set forth with benefits and obligations of both the City and BDI as it pertains to future development of the Brisbane Baylands.

The City is currently in the process of preparing an environmental impact report ("EIR") addressing the environmental impacts of the Proposed Specific Plan. The EIR will identify and disclose the potential environmental impacts of the Proposed Specific Plan and the Development Agreement, and will identify mitigation measures to minimize any such impacts.

In 2020, the City published an EIR Notice of Preparation ("NOP") and held a public EIR scoping meeting. The City plans to publish a revised NOP based upon the Proposed Specific Plan in 2023, and another scoping meeting will be held during the NOP comment period. Following the revised NOP release and scoping meeting the City will publish a draft EIR and release it for public review and comment. A final EIR (including all responses to comments and any changes to the draft EIR resulting from these comments) will be published, and the Final EIR and Proposed Specific Plan will be subject to formal public hearings before the City's Planning Commission and City Council. While a final time schedule has not yet been established, it is anticipated that the draft EIR will be published in 2023, with public hearings commencing in 2024.

The Brisbane Baylands has also been identified by California High Speed Rail for the location of a 121-acre rail yard maintenance facility. The City has brought a CEQA lawsuit against the State last year. The parties are discussing a potential settlement but as of this time there is no agreement.

The City maintains a website containing the draft of the Proposed Specific Plan for the Brisbane Baylands submitted by BDI, the California High-Speed Rail Authority's Final Environmental Impact Report/Environmental Impact Statement, and other information relating to the development of the Brisbane Baylands at <https://www.brisbaneca.org/baylands>. Information on such website is not incorporated herein by this reference.

See APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY for an additional description of the City as well as certain demographic and statistical information.

CITY FINANCIAL INFORMATION

Financial Information and Budgetary Process

The City's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The City retained Maze & Associates, Pleasant Hill, California (the "City's Auditor"), to examine the general-purpose financial statements of the City as of and for the year ended June 30, 2022. The audited financial statements for fiscal year ended June 30, 2022, are included in APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022. The City has not requested, and the City's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.

Budget Process. The City Council is required to adopt a two-year budget before July 1 on even numbered years for the ensuing two years. The City Council schedules a goal setting session prior to the adoption of the budget to determine the major objectives of the City's financial plan for the year. The goals approved by the Council are incorporated into a preliminary budget, which is issued for public comment. After a series of public hearings, the budget is adopted by the City Council prior to the beginning of the ensuing fiscal year (July 1). The budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, and by department. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the City Manager and City Council. The City has adopted a one-year budget for fiscal year 2023 in response to the implementation of new budgeting software.

A comprehensive mid-cycle budget review is done to update revenue and expenditure projections for the second year. In addition, the City Council receives mid-year budget updates. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot

legally exceed the appropriated amount) for the City's operating budget is the program area within each fund, and for the capital improvement budget it is each individual capital improvement project within each fund. For the operating budget, the City Manager has the authority to move appropriations between accounts (without dollar limitation) within a budget program and within the same fund as long as the transfers are within the same program area. For the capital improvement program, the City Manager has the authority to transfer appropriations (with no dollar limitation) between capital projects within the same fund. Appropriation increases, decreases or transfers between funds require the approval of the City Council. All appropriations lapse at the end of the fiscal year unless specific carryovers are approved by the City Manager or City Council, including multi-year contract commitments.

Certain of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. See "STATE BUDGET INFORMATION."

General Fund Balance Sheet

The following table shows the City's audited General Fund balance sheet for the past five fiscal years.

Table 1
CITY OF BRISBANE
GENERAL FUND BALANCE SHEET
Fiscal Years 2017-18 through 2021-22

	Fiscal Year Ending June 30,				
	2018	2019	2020	2021	2022
	Audited	Audited	Audited	Audited	Audited
ASSETS					
Cash and investments	\$ 7,649,557	\$ 3,472,683	\$ 5,091,938	\$ 6,960,372	\$ 6,696,243
Restricted cash and investments	114,033	530,276	1,162,420	1,414,176	1,224,830
Accounts receivable, net	1,656,544	5,836,933	1,535,081	3,806,940	828,049
Interest receivable	31,123	34,310	16,360	6,413	27,656
Taxes receivable	1,197,480	1,457,595	1,760,890	2,001,634	1,675,932
Other assets	8,566	6,027	7,452	5,858	4,868
Due from other funds	1,451,794	288,302	1,575,368	3,793,501	3,906,853
Loans receivable	1,611,858	1,081,858	551,858	518,750	518,750
Advances to other funds	816,199	730,524	3,408,229	3,319,284	3,228,659
Total Assets	14,537,154	13,438,508	15,109,596	21,826,928	18,111,840
LIABILITIES					
Accounts payable	562,418	536,587	719,577	2,282,697	798,464
Accrued payables	176,134	229,354	281,719	356,100	421,675
Deposits payable	1,347,951	1,553,823	1,671,739	1,651,993	1,691,411
Total Liabilities	2,086,503	2,319,764	2,673,035	4,290,790	2,911,550
FUND BALANCES					
Non-spendable	2,436,623	1,818,409	3,967,539	3,843,892	3,752,277
Restricted	114,033	530,276	1,162,420	1,414,176	1,224,830
Assigned	273,871	820,756	841,666	841,666	841,666
Unassigned ⁽¹⁾	8,628,419	7,949,303	6,464,936	11,436,404	9,381,517
Total Fund Balances	11,452,946	11,118,744	12,436,561	17,536,138	15,200,290
Total Liabilities and Fund Balances	14,537,154	13,438,508	15,109,596	21,826,928	18,111,840

Sources: City of Brisbane Annual Comprehensive Financial Reports for Fiscal Years 2017-18 through 2021-22.

(1) Amounts include the City's emergency reserve, recession reserve, and annual fluctuation reserve. For additional discussion, see "City Financial Management."

General Fund Revenues, Expenditures and Changes in Fund Balances

The following tables shows the City's audited results for General Fund revenues and expenditures for fiscal years 2018-19 through 2021-22 and budgeted projections for fiscal year 2022-23. The City's General Fund experienced negative performance in fiscal year 2021-22 primarily due to an increase in expenditures on capital projects and a decrease of certain revenue sources caused in part by the COVID-19 Pandemic.

Table 2
CITY OF BRISBANE
GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2018-19 through 2022-23

	Fiscal Year Ending June 30,				
	2019	2020	2021	2022	2023
	Audited	Audited	Audited	Audited	Budgeted ⁽¹⁾
REVENUES					
Taxes and special assessments	\$13,730,931	\$14,308,527	\$14,862,570	\$13,709,682	\$14,803,491
Intergovernmental	537,655	738,779	768,728	222,090	128,635
Licenses, permits and fees ⁽²⁾	6,343,475	5,526,100	6,655,210	5,229,061	7,107,905
Charges for services	3,661,580	3,132,168	3,460,765	3,380,168	3,199,236
Fines and forfeitures	66,371	43,320	31,264	110,229	26,000
Use of money and property	323,497	431,404	345,653	(252,521)	201,416
Other revenues	348,966	436,267	1,311,656	813,490	777,594
Total Revenues	25,048,475	24,616,565	27,435,846	23,211,199	26,244,277
EXPENDITURES					
General government	5,822,755	7,288,576	7,728,274	8,406,365	7,867,382
Public safety - police	4,917,210	4,991,335	4,804,121	5,287,367	5,450,998
Public safety - fire	3,356,781	3,534,712	3,829,059	4,516,591	4,409,373
Public works	2,489,959	2,602,513	2,489,743	2,846,855	2,534,993
Parks and recreation	2,199,586	2,504,241	1,621,789	2,455,019	2,901,966
Capital outlay	7,499	169,003	88,189	-	-
Debt Service - Principal	13,213	13,343	13,479	13,614	13,751
Debt Service - Interest	991	861	725	101,598	453
Total Expenditures	18,808,264	21,104,584	20,575,379	27,899,903	23,178,916
REVENUES OVER EXPENDITURES	6,240,211	3,511,981	6,860,467	(4,688,704)	3,065,361
OTHER FINANCING SOURCES					
Proceeds from long term debt	-	-	-	4,355,000	-
Transfers in	150,894	157,258	157,197	161,603	-
Transfers out	(6,725,307)	(2,351,422)	(1,918,087)	(2,163,747)	(2,394,966)
Total Other Financing Sources	(6,574,413)	(2,194,164)	(1,760,890)	2,352,856	(2,394,966)
NET CHANGE IN FUND BALANCES	(334,202)	1,317,817	5,099,577	(2,335,848)	670,394
FUND BALANCES - BEGINNING OF YEAR	11,452,946	11,118,744	12,436,561	17,536,138	15,200,290
FUND BALANCES - END OF YEAR	11,118,744	12,436,561	17,536,138	15,200,290	15,870,684

Source: City of Brisbane Annual Comprehensive Financial Reports for Fiscal Years 2018-19 through 2021-22 data and City of Brisbane for 2022-23 data.

- (1) From the City's FY2021-22 Budget, adopted July 16, 2022, and most recently updated on May 4, 2023.
- (2) Amounts include revenues from the City's business license tax on Recology, a large recycling firm that operates a recycling plant within the City. For additional information see "Primary Sources of General Fund Revenue" and "Business License Taxes." Revenues from the business license tax on Recology constitute a significant amount of the City's General Fund revenues.

General Fund Transfers Out

The following table shows detail of the transfers out from the City's General Fund revenues and expenditures for Fiscal Years 2018-19 through 2021-22. Transfers out from the General Fund were primarily for debt service payments.

Table 3
CITY OF BRISBANE
GENERAL FUND TRANSFERS OUT DETAIL

	Fiscal Year Ending June 30,				
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited
TRANSFERS OUT TO:					
Non-major governmental funds	\$1,861,594	\$ 910,154	\$1,148,927	\$1,435,841	\$ 1,915,472
Capital projects fund	-	4,155,254	285,984	216,000	-
Utility enterprise fund	48,000	43,000	41,788	66,246	48,275
Internal service funds	668,174	1,616,899	874,723	200,000	200,000
Total Transfers Out	<u>\$2,577,768</u>	<u>\$6,725,307</u>	<u>\$2,351,422</u>	<u>\$1,918,087</u>	<u>\$2,163,747</u>

Source: City of Brisbane Annual Comprehensive Financial Reports for Fiscal Years 2017-18 through 2021-22.

For additional information about interfund transactions, see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022, Note 4.

General Fund Budget

The following table shows the City's General Fund budget figures for fiscal year 2020-21 and 2021-22, including a comparison of the City's initial budget, final budget, audited actuals for each year.

Table 4
CITY OF BRISBANE
GENERAL FUND BUDGET COMPARISON
Fiscal Years 2020-21 and 2021-22

	Fiscal Year Ending June 30, 2021			Fiscal Year Ending June 30, 2022		
	Adopted Budget	Final Budget	Audited Actuals	Adopted Budget	Final Budget	Audited Actuals
REVENUES						
Taxes and special assessments	\$ 11,384,140	\$ 13,177,406	\$ 14,862,570	\$11,789,140	\$13,177,406	\$13,709,682
Intergovernmental	17,000	17,000	768,728	17,000	17,000	222,090
Licenses, permits and fees	4,899,800	5,278,200	6,655,210	5,299,800	5,299,800	5,229,061
Charges for services	1,978,500	2,507,500	3,460,765	2,533,982	2,533,982	3,380,168
Fines and forfeitures	52,000	52,000	31,264	52,000	52,000	110,229
Use of money and property	70,000	70,000	345,653	70,000	70,000	(253,521)
Other revenues	445,604	445,604	1,311,656	451,036	451,036	813,490
Total Revenues	18,847,044	21,547,710	27,435,846	20,212,958	21,601,224	23,211,199
EXPENDITURES						
General government	6,867,529	7,301,737	7,728,274	6,742,700	7,176,908	8,406,365
Public safety - police	4,822,884	4,822,884	4,804,121	5,407,492	5,407,492	5,287,367
Public safety - fire	3,916,193	3,916,193	3,829,059	4,310,946	4,310,946	4,516,591
Public works	2,438,096	2,438,096	2,489,743	2,622,051	2,622,051	2,846,855
Parks and recreation	2,089,899	2,089,899	1,621,789	2,395,146	2,395,146	2,455,019
Capital outlay	46,640	46,640	88,189	-	-	4,272,494
Debt Service - Principal	-	-	13,479	-	-	13,614
Debt Service - Interest	-	-	725	-	-	101,598
Total Expenditures	20,181,241	20,615,449	20,575,379	21,478,335	21,912,543	27,899,903
REVENUES OVER EXPENDITURES	(1,334,197)	932,261	6,860,467	(1,265,377)	(311,319)	(4,688,704)
OTHER FINANCING SOURCES						
Proceeds from long term debt	-	-	-	-	-	4,355,000
Transfers in	-	-	157,197	-	-	161,603
Transfers out	(1,835,245)	(2,171,245)	(1,918,087)	(1,926,429)	(2,262,429)	(2,163,747)
Total Other Financing Sources	(1,835,245)	(2,171,245)	(1,760,890)	(1,926,429)	(2,262,429)	2,352,856
NET CHANGE IN FUND BALANCES	(3,169,442)	(1,238,984)	5,099,577	(3,919,806)	(2,573,748)	(2,335,848)
FUND BALANCES – BEGINNING OF YEAR			12,436,561			17,536,138
FUND BALANCES – END OF YEAR			17,536,138			15,200,290

Source: City of Brisbane Annual Comprehensive Financial Reports for Fiscal Year 2020-21 and Fiscal Year 2021-22.

City Financial Management

The City Council has adopted a comprehensive set of financial management policies to provide for: (i) establishing targeted General Fund reserves; (ii) the prudent investment of City funds, and (iii) management of debt. The City's practice is to incur debt only after deliberation over the effect of such debt on the City's General Fund and other resources of the City, and in those circumstances where the use of debt would be appropriate to the scale and economic life of the asset being financed and the accumulation or availability of reserves to fund the capital requirement.

General Fund Reserve Policy. The City's Reserve Policy was most recently updated on in 2019 and consists of three separate reserves. The first is an emergency reserve for emergency or disaster circumstances. The City Council reviews the target level of the emergency reserve every three years. The emergency reserve level is currently set at \$3,500,000. The second reserve is a reserve for recession circumstances, such as revenue reductions caused by an economic downturn comparable to the Great Recession of 2008-09. The recession reserve is currently set at \$2,500,000. The third reserve is for annual fluctuation circumstances to compensate for unexpected fluctuations revenues and expenditures beyond the levels projected in the budget. The fluctuation reserve amount is recalculated every year as the budget changes and is set to be equal to the sum of 5% of budgeted General Fund revenues and 5% of budgeted General Fund expenditures. For fiscal year 2023, the flotation reserve amount is approximately \$2,590,908.

During the COVID-19 Pandemic the City did not draw on the policy reserves, and was able to use available Fund Balance.

The following table shows the City's General Fund Reserve Policy guidance and projected reserve levels for Fiscal Year 2022-23.

Table 5
CITY OF BRISBANE
GENERAL FUND RESERVE POLICY

	Policy Guidance	Projected FY 2022-23
Emergency Reserve	\$3,500,000	\$3,500,000
Recession Reserve	2,500,000	2,500,000
Fluctuation Reserve	2,590,908	2,590,908
Total GF Reserves	8,590,908	8,590,908

Source: City of Brisbane.

As shown in Table 5 above, the City does not project a need to draw its reserves below the levels established in its Fiscal Year 2022-23 budget, as most recently amended on May 4, 2023.

Investment Policy. The investment of funds of the City (except pension and retirement funds) is made in accordance with the City's Investment Policy, most recently approved September 3, 2020 (the "Investment Policy"), prepared by the City Treasurer as authorized by section 53601 of the Government Code of California. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to ensure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years.

Debt Management Policy. In accordance with section 8855(i) of the California Government Code the City adopted a debt management policy on July 20, 2017, to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

Pension Funding Policy. The City contributes to a pension trust fund. The target balance for the pension trust fund is \$5,000,000, which represents two years of the City's typical unfunded liability payment.

Primary Sources of General Fund Revenues

The City relies on several sources to balance its General Fund budget. The most important of these revenue sources (based on percentage of the total revenue budget) are sales and use taxes, which typically account for over 25% of the City's General Fund revenues. The City's second largest General Fund revenue source is property taxes which typically account for 20% of the City's General Fund revenues. The recycling business license tax is the General Fund's third largest revenue source, typically accounting for 15% of the City's General Fund revenues. Transient occupancy taxes, the General Fund's fourth largest revenue source, typically accounts for 7% of the City's General Fund revenues. The City's fifth largest General Fund revenue source are business license taxes on businesses that operate within the City. The business license tax for fuel deliveries typically accounts for 4% of the City's General Fund revenues. Together these five primary sources of General Fund revenues constitute approximately 71% of the City's General Fund revenues each year.

The table below shows the City's primary general fund revenue sources for the four most recent fiscal years and budgeted projections for Fiscal Year 2022-23. Following the table is a brief discussion of each of the City's primary sources of General Fund revenues.

Table 6
CITY OF BRISBANE
PRIMARY SOURCES OF GENERAL FUND REVENUES

	Fiscal Year Ending June 30,				
	2019	2020	2021	2022	2023
	Audited	Audited	Audited	Audited	Budgeted ⁽⁵⁾
Sales and use taxes ⁽¹⁾	\$ 5,608,897	\$ 6,639,922	\$ 7,652,028	\$ 5,791,875	\$ 6,366,466
Property taxes	4,358,306	4,697,205	5,498,250	5,241,809	5,562,017
Recycling business license tax ⁽²⁾	3,647,000	3,206,000	3,700,000	4,000,000	4,272,000
Transient occupancy taxes ⁽³⁾	2,889,711	2,071,824	849,788	1,653,196	1,811,934
Business license taxes ⁽⁴⁾	1,297,530	744,173	885,126	348,425	1,425,527
Total Primary Sources	17,801,444	17,359,124	18,585,192	17,035,305	19,437,944
All Other General Fund Revenues	7,247,031	7,257,441	8,850,654	6,175,894	6,806,333
Total General Fund Revenues	\$25,048,475	\$24,616,565	\$27,435,846	\$23,211,199	\$26,244,277

Source: City of Brisbane FY2019-22 Annual Comprehensive Financial Reports and City of Brisbane.

- (1) Amounts do not include collections from Measure U, collections of which began on April 1, 2023. For additional discussion, see "Sales and Use Taxes."
- (2) Recology's business license taxes only. For additional discussion, see "Business License Taxes."
- (3) Amounts do not include the proceeds of Measure O, collections of which began on April 1, 2023. For additional discussion, see "Transient Occupancy Taxes."
- (4) Amount includes all business license tax revenues except for those business license taxes levied on Recology. For additional discussion, see "Business License Taxes."
- (5) From the City's FY2022-23 Budget, adopted July 20, 2022, and most recently updated on May 4, 2023.

Sales and Use Taxes. Sales and use taxes are the General Fund's largest revenue source. The City receives a 1% share of all taxable sales generated within its borders. On November 8, 2022, the voters of the City voting in the election on that date approved Measure U, a 0.50% sales and use tax, collections of which began on April 1, 2023.

In Fiscal Year 2020-21, sales and use taxes generated approximately \$7.65 million and in Fiscal Year 2021-22, sales and use taxes generated approximately \$5.79 million. Sales and use taxes are projected to generate \$6.37 million in Fiscal Year 2022-23. For additional discussion of the City's sales tax revenues, see "Sales and Use Taxes."

Property Taxes. Property taxes are the General Fund's second largest revenue source. The County levies a tax of 1% on the assessed valuation of property within the County. The City receives a share of this 1% levy for property located within the City limits. The City's General Fund property tax collections also include amounts relating to ERAF Property Taxes. Beginning in the 1992-93 fiscal year, the State diverted property taxes from local governments to boost revenues to the State. The fund to which these local revenues are being diverted is called "ERAF," Educational Revenue Augmentation Funds. In the County, the ERAF formula allows the local governments to keep a portion of the diverted property taxes, or ERAF taxes.

In Fiscal Year 2020-21, property taxes generated approximately \$5.50 million. In Fiscal Year 2021-22 property taxes generated approximately \$5.24 million. Property tax revenues are projected to generate \$5.56 million in Fiscal Year 2022-23. See "Property Taxes" for additional information relating to the property taxes and the assessed valuation of property located in the City.

Recycling Business License Tax. The City's recycling business license tax is the General Fund's third largest revenue source. In 2011 the voters of the City approved a Business License Tax Ordinance for establishment operation of a recycling business. Section 5.20.100 of the City's municipal code requires every business that handles 100,000 tons or more in a year to pay a fee up to four million dollars, subject to certain adjustments. Currently this tax applies only to a single recycling business, Recology, a waste management company headquartered in San Francisco that operates a transfer station and hazardous waste facility within the City. The \$4,000,000 cap on the recycling business license tax will increase by approximately 3% each year based on an inflationary formula.

In Fiscal Year 2020-21, the recycling business license tax generated approximately \$3.70 million. In Fiscal Year 2021-22 the recycling business license tax generated approximately \$4.00 million. The recycling business license tax is expected to generate \$4.27 million in Fiscal Year 2022-23. See "Recycling Business License Tax" for additional information and discussion.

Transient Occupancy Taxes. The City currently imposes a voter-approved general transient occupancy tax upon the occupancy of any hotel room in the City, charged to the transient (or guest) who is entitled to such occupancy. The current rate of the City's transient occupancy tax is 14% of the rent charged by the hotel operator for the use of the hotel room. The current transient occupancy tax rate became effective January 1, 2020, following a vote by a majority of the voters in the City voting in an election in November, 2019, and represents a 2% increase from the 12% prior rate. The voters of the City approved Measure O at an election held on November 8, 2022. Measure O imposes a new short term rental business license tax equal to \$2.50 per room for each day such a room is rented. Measure O taxes will be collected in addition to the City's standard transient occupancy taxes. Measure O collections began on April 1, 2023. While Measure O is a tax on short term rental businesses similar to a transient occupancy tax, the City categorizes Measure O tax collections as business license taxes, however, the City's transient occupancy taxes and Measure O taxes are both general taxes, which means that the proceeds are deposited into the City's general fund and may be used for any and all municipal purposes.

In Fiscal Year 2020-21, transient occupancy taxes generated approximately \$0.85 million and in Fiscal Year 2021-22 transient occupancy taxes generated approximately \$1.65 million. Transient occupancy taxes are budgeted to generate \$1.81 million in Fiscal Year 2022-23. See “Transient Occupancy Tax” for additional information and discussion. The City’s transient occupancy tax collections were significantly affected by reduced travel activity taking place in the City during the COVID-19 Pandemic and transient occupancy tax revenues are not expected to return to pre-pandemic norms in the immediate future.

Business License Taxes. All businesses within the City are assessed a business license tax. Business licenses taxes are levied, for the most part, based on gross receipts. Some businesses and activities, such as contractors and one-time events, may opt for a flat fee.

In Fiscal Year 2019-20, business license taxes generated approximately \$0.88 million and in Fiscal Year 2020-21 business license taxes generated approximately \$0.35 million. Business license taxes are budgeted to generate \$1.43 million in Fiscal Year 2021-22.

Property Taxes

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIII A of the California Constitution, the county assessor’s valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

Local agencies and schools will share the growth of “base” sources from all tax rate areas in the County. Each year’s growth allocation becomes part of each local agency’s allocation in the following year. The availability of revenue from growth in the tax bases in such tax rate areas may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts \$7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax collection purposes, property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which

there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the SBE is commonly identified for taxation purposes as “utility” property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to any delinquent payment. Property on the secured roll, with respect to which taxes are delinquent, becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of delinquent taxes and the delinquency penalty, plus costs and prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes beginning the second month after the delinquent date, and on the first day of each month until paid. A county has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the delinquent taxpayer.

Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in section 4701 et seq. of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each fiscal year, the County distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities.

The County cash position is protected by a special fund, known as the “Tax Loss Reserve Fund,” which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus one percent of that year’s tax levy. Amounts exceeding the amount required to be maintained in the tax loss reserve fund may be credited to the County’s general fund. Amounts required to be maintained in the tax loss reserve fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in

any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. If the Teeter Plan is discontinued in the future, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

The City is not aware of any petitions for the discontinuance of the Teeter Plan in the County.

Assessed Value

The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the SBE. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution.

Certain classes of property, such as churches, colleges, not-for-profit hospitals and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. Property taxes allocated to the City are collected by the County at the same time and on the same tax rolls as are county and special district taxes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

The table below shows the assessed valuation of taxable property in the City for the ten most recent fiscal years.

Table 7
CITY OF BRISBANE
HISTORIC ASSESSED VALUATIONS
Fiscal Years 2012-13 to 2022-23

Fiscal Year Ending June 30,	Local Secured	Utility	Unsecured	Total Assessed Valuation	% Change
2014	1,403,614,569	2,059,022	180,299,172	1,585,972,763	—
2015	1,515,088,551	2,059,022	177,546,585	1,694,694,158	6.86%
2016	1,623,224,642	1,855,209	183,682,553	1,808,762,404	6.73
2017	1,717,395,986	1,855,209	181,782,883	1,901,034,078	5.10
2018	1,844,547,050	1,855,209	194,497,758	2,040,900,017	7.36
2019	2,041,366,432	1,855,209	216,938,541	2,260,160,182	10.74
2020	2,205,949,690	4,241,698	229,598,014	2,439,789,402	7.95
2021	2,554,544,582	4,241,698	228,672,395	2,787,458,675	14.25
2022	2,712,957,432	4,241,698	254,324,580	2,971,523,710	6.60
2023	2,944,013,775	4,241,698	255,970,554	3,204,226,027	7.83

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the City’s control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused

by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must apply to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the City's control, including fire, earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by

ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the City in the future.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the “Governor”) signed into law Assembly Bill 102 (“AB 102”). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the City.

State-Assessed Property. Under the Constitution, the SBE assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the City to non-utility companies will increase the assessed value of property in the City, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the City to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the City as the value is shared among the other jurisdictions in the County. The City is unable to predict future transfers of State-assessed property in the City and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the City.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the City by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Table 8
CITY OF BRISBANE
ASSESSED VALUATION AND PARCELS BY LAND USE

	FY2022-23 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non-Residential:</u>				
Commercial/Office	\$ 747,806,826	25.40%	58	2.59%
Industrial	693,738,714	23.56	193	8.63
Government/Social/Institutional	7,462,745	0.25	10	0.45
Miscellaneous	1,600,537	0.05	74	3.31
Subtotal Non-Residential	<u>\$1,450,608,822</u>	<u>49.27%</u>	<u>335</u>	<u>14.98%</u>
<u>Residential:</u>				
Single Family Residence	\$ 834,462,561	28.34%	1,127	50.38%
Condominium/Townhouse	304,038,355	10.33	431	19.27
Mobile Home	21,930	0.00	1	0.04
Mobile Home Park	5,735,563	0.19	5	0.22
Hotel/Motel	68,744,784	2.34	2	0.09
2-4 Residential Units	16,809,090	0.57	29	1.30
5+ Residential Units/Apartments	34,211,491	1.16	18	0.80
Subtotal Residential	<u>\$1,264,023,774</u>	<u>42.94%</u>	<u>1,613</u>	<u>72.11%</u>
Vacant Parcels	<u>\$229,381,179</u>	<u>7.79%</u>	<u>289</u>	<u>12.92%</u>
Total	<u>\$2,944,013,775</u>	<u>100.00%</u>	<u>2,237</u>	<u>100.00%</u>

Source: California Municipal Statistics, Inc.

(1) Total secured assessed valuation, excluding tax-exempt property.

Assessed Valuation of Single-Family Homes. The following table focuses on single-family residential properties only, which comprise approximately 28.34% of the FY2022-23 assessed value of taxable property in the City.

Table 9
CITY OF BRISBANE
PER PARCEL - ASSESSED VALUATION OF SINGLE-FAMILY HOMES

	No. of Parcels	FY2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	1,127	\$ 834,462,561	\$ 740,428	\$ 652,250

FY2022-23 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	99	8.784%	8.784%	\$ 6,482,153	0.777%	0.777%
\$100,000 - \$199,999	76	6.744	15.528	11,619,820	1.392	2.169
\$200,000 - \$299,999	81	7.187	22.715	20,546,045	2.462	4.631
\$300,000 - \$399,999	91	8.075	30.790	32,010,483	3.836	8.468
\$400,000 - \$499,999	95	8.429	39.219	42,302,442	5.069	13.537
\$500,000 - \$599,999	78	6.921	46.140	42,726,407	5.120	18.657
\$600,000 - \$699,999	84	7.453	53.594	54,540,023	6.536	25.193
\$700,000 - \$799,999	89	7.897	61.491	66,733,638	7.997	33.190
\$800,000 - \$899,999	63	5.590	67.081	53,075,564	6.360	39.551
\$900,000 - \$999,999	53	4.703	71.783	50,456,403	6.047	45.597
\$1,000,000 - \$1,099,999	59	5.235	77.019	61,620,330	7.384	52.982
\$1,100,000 - \$1,199,999	42	3.727	80.745	47,822,281	5.731	58.713
\$1,200,000 - \$1,299,999	39	3.461	84.206	48,775,257	5.845	64.558
\$1,300,000 - \$1,399,999	26	2.307	86.513	35,206,010	4.219	68.777
\$1,400,000 - \$1,499,999	41	3.638	90.151	59,546,584	7.136	75.913
\$1,500,000 - \$1,599,999	24	2.130	92.280	37,143,089	4.451	80.364
\$1,600,000 - \$1,699,999	19	1.686	93.966	31,524,512	3.778	84.142
\$1,700,000 - \$1,799,999	21	1.863	95.830	36,621,662	4.389	88.530
\$1,800,000 - \$1,899,999	17	1.508	97.338	31,414,641	3.765	92.295
\$1,900,000 - \$1,999,999	9	0.799	98.137	17,441,511	2.090	94.385
\$2,000,000 and greater	21	1.863	100.000	46,853,706	5.615	100.000
Total	1,127	100.000%		834,462,561	100.000%	

Source: California Municipal Statistics, Inc.

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.

Principal Taxpayers. Based on fiscal year 2022-23 locally assessed taxable valuations, the top twenty taxable property owners in the City represent approximately 48.14% of the total fiscal year 2022-23 taxable value.

The following table shows the 20 largest owners of taxable property in the City as determined by secured assessed valuation in fiscal year 2022-23. The City is not aware of any plans by the top twenty largest local secured taxpayers to leave the City or terminate operations.

Table 10
CITY OF BRISBANE
LARGEST LOCAL SECURED PROPERTY TAXPAYERS

	Property Owner	Primary Land Use	FY2022-23 Assessed Valuation	% of Total ⁽¹⁾
1.	Slough Brisbane LLC	Office Building	\$ 306,302,566	10.40%
2.	HCP Life Science REIT Inc.	Office Building	240,655,765	8.17
3.	DCT Valley Drive CA LP	Industrial	124,789,966	4.24
4.	Oyster Point Properties Inc.	Undeveloped	121,191,961	4.12
5.	BMR Bayshore Blvd. LLC	Industrial	117,352,600	3.99
6.	PPF OFF 7000 Marina Blvd LP	Industrial	80,940,745	2.75
7.	IAC San Francisco LLC	Industrial	67,527,897	2.29
8.	M & L Associates	Industrial	58,285,862	1.98
9.	Summit Hospitality 114 LLC	Hotel	45,536,724	1.55
10.	BP3 SF4 1000 Marina LLC	Office Building	40,842,865	1.39
11.	Prologis USLV SUBREIT 4 LLC	Industrial	29,753,607	1.01
12.	SNH Brisbane CA LLC	Office Building	28,413,354	0.97
13.	CP6BT LLC	Office Building	23,374,004	0.79
14.	BRE SH Brisbane Owner LLC	Hotel	23,208,060	0.79
15.	BP3 SF5 3000 3500 Marina LLC	Office Building	22,214,536	0.75
16.	Harrison 1422 LP	Industrial	19,074,521	0.65
17.	Valley 325 LP	Industrial	18,937,768	0.64
18.	LYF Investment Group LLC	Industrial	16,830,000	0.57
19.	Recology Properties Inc	Industrial	16,381,538	0.56
20.	South Hill 99 LP	Industrial	15,503,644	0.53
	Total Top 20		<u>\$1,417,117,983</u>	<u>48.14%</u>

Source: California Municipal Statistics, Inc.

(1) FY2022-23 Local Secured Assessed Valuation: \$2,944,013,775.

Slough Brisbane LLC is the owner of all of the property on Sierra Point to the east of Shoreline Court and to the South of Sierra Point Parkway.

HCP Life Science REIT is the owner of The Shore at Sierra Point, a campus of five office and laboratory buildings and the Towers at Sierra Point, a two-building office campus.

Sales and Use Taxes

A sales tax is imposed on the privilege of consuming personal property in the State. The State does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City) (the “State Sales Tax”). In addition, many of the State’s cities, counties,

districts and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. While more than one district tax may be in effect for a particular location, counties, municipalities, and districts are allowed to increase the sales tax in specific jurisdictions up to a total of 10.25%.

The following table shows a breakdown of the composition of the current sales and use tax rate applicable to transactions in the City:

Table 11
CITY OF BRISBANE
CURRENT SALES AND USE TAX RATES

Component	Tax Rate
State General Fund	7.250%
2020 Peninsula Corridor Joint Powers Board Retail Transactions and Use Tax	0.125
San Mateo County Retail Transactions and Use Tax	0.500
San Mateo County Transit District	0.500
San Mateo County 2018 Transit District	0.500
San Mateo County Transportation Authority	0.500
City of Brisbane Measure U ⁽¹⁾	0.500
Total	9.375%

Source: City of Brisbane

(1) Measure U collections began April 1, 2023.

The State's Department of Tax and Fee Administration actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

Measure U. On November 8, 2022, an over 63% of the voters of the City voting in the election on that date approved Measure U, a 0.50% sales and use tax. Measure U sales and use tax collections began on April 1, 2023. Measure U sales and use tax collections will continue unless terminated by the voters of the City. Measure U sales and use tax collections are available to the City's General Fund for any lawful purpose. The City estimates that Measure U collections will generate approximately \$2,000,000 annually.

Sales and Use Tax Generators in the City. The City sees most of its sales and use tax revenue generated from the sale of wholesale construction materials from a few businesses that operate within the City. In calendar year 2022, the five largest sales and use tax generators accounted for approximately 69% of all sales and use tax collected.

The following table lists the top 25 sales and use tax generators in the City for calendar year 2022 and their type of business.

Table 12
CITY OF BRISBANE
TOP 25 SALES AND USE TAX GENERATORS IN 2022
(Listed Alphabetically)

Business Name	Type of Business
7 Mile House Sports Bar & Grill	Restaurant
Bay Medical Company	Light Industry
Bi Rite Restaurant Supply	Food Processing Equipment
Brisbane Recycling Company	Light Industry
Caliva - MMD	Cannabis Services
Cool Solutions Manufacturing	Heavy Industry
Cutera	Electronic Equipment
Fong Brothers Printing	Light Industry
Gas 2 You	Energy Sales
GE United Technologies II	Misc. Retail
Golden State Lumber	Building Materials
Hensley Event Resources	Leasing
Ichika Sushi House	Restaurant
Infoimage	Light Industry
Integrated Resources Group	Building Materials
NCC Brisbane - MMD	Cannabis Services
Norman Wright Mechanical Equipment	Building Materials
O'Keeffe's	Building Materials
P & F Distributors	Heavy Industry
PHK Flooring & Building Material	Building Materials
Room & Board	Furniture/Appliance
Sartorius Biotech	Biotechnology
Structural & Steel Products	Building Materials
The Rare Wine Co. (Vieux Vins)	Food Processing Equipment
Vox Network Solutions	Business Services

Source: City of Brisbane

Many categories of transactions are exempt for the State Sales Tax. The most important of these exemptions are the sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas and electricity and water when delivered to consumers through mains, lines and pipes. In addition, occasional sales (i.e., sales of property not held or used by a seller during activities for which he or she is required to hold a seller's permit) are generally exempt from both the State Sales Tax; however, the occasional sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on revenues produced by sales taxes. The City is not currently aware of any proposed legislative change that would have a material adverse effect on the State Sales Tax.

Recycling Business License Taxes

Beginning in 2011 the voters of the City elected to impose a tax on “recycling establishments” engaged in the business of collecting, sorting, cleansing, treating, processing or reconstituting waste or other discarded materials for the purpose of reuse in an altered form, as defined in section 5.20.100 of the City’s Municipal Code.

The recycling business license tax currently applies to a single taxpayer, Recology. Recology, a waste management company headquartered in San Francisco, operates a transfer station and hazardous waste facility within the City. The Recycling Business License Tax would also apply to any other “recycling establishments” that meet the definition of that term, though no additional “recycling establishments” are anticipated to begin operating within the City.

On November 7, 2017, over 79% voters of the City voting in the election on that date approved increasing the maximum cap on the annual recycling business license tax from \$3,000,000 to \$4,000,000 per year, with increases to the cap of approximately 3% per year thereafter. After the increase was passed, the City, Recology, and Recology’s regulator, the City of San Francisco Environment Department, met to agree upon the phasing in of the tax until fiscal year 2021-22 when the tax reached the statutory maximum level of \$4,000,000. In fiscal year 2022-23 and future years the tax level will be equal to the inflation adjusted cap. The City Council annually adopts a resolution levying the recycling business license tax in accordance with section 5.20.100 of the City’s municipal code and Ordinance No. 628 up to the maximum amount of the tax. The City Council anticipates adopting a resolution setting the level of the recycling business license tax for fiscal year 2023-24 in September of 2023.

The following table shows the complete history of the General Fund’s recent recycling business license tax collections since Recology began operations in the City in fiscal year 2011-12.

Table 13
CITY OF BRISBANE
RECYCLING BUSINESS LICENSE TAX COLLECTIONS

Fiscal Year Ending June 30,	Recycling Business License Tax Collections
2012	\$2,100,000
2013	2,100,020
2014	2,100,001
2015	2,100,000
2016	2,768,000
2017	2,100,000
2018	2,778,000
2019	2,979,000
2020	3,206,000
2021	3,700,000
2022	4,000,000
2023 ⁽¹⁾	4,272,000

Source: City of Brisbane

(1) Fiscal Year 2022-23 amount is a projection from the City’s Budget, as originally adopted July 16, 2022, and as most recently updated on May 4, 2023.

The proceeds of the recycling business license tax are available to the General Fund of the City for any lawful purpose and is typically used for expenses including but not limited to Police, Fire, non-utility Public Works, Parks and Recreation and administrative support.

The City believes that Recology is unlikely to terminate the operations of its transfer station and hazardous waste facility because the site Recology occupies sits in close proximity to the City of San Francisco, which significantly reduces Recology's operating cost for trucks and hauling equipment traveling to and from Recology's service area. In the event that, in the future, the City of San Francisco were to engage a different solid waste removal provider than Recology, City Staff believe it is likely that the subsequent provider would desire to maintain operations at the current site due to its proximity to San Francisco. Additionally, in the event that Recology or a subsequent solid waste removal provider were to desire to relocate the facility to another site or neighboring city such relocation would face significant planning hurdles due to the nature of the facility and its undesirable use.

Transient Occupancy Tax

Transient occupancy taxes ("TOT") are collected by each hotel operator in the City and are remitted monthly. The current City TOT rate is 14% of the rent charged to each guest. The City's TOT is a general tax and can be used for any governmental purpose. The City's TOT also applies short term rentals (such as Airbnb). The City's TOT rate was last raised from 12% to 14% following the approval of Measure B by over 70% of the voters of the City voting in an election on November 5, 2019. The City's TOT will continue to be collected unless terminated by the voters of the City.

Measure O. Approved at an election on November 8, 2022 by over 69% of the voters of the City voting in the election on that date. Measure O created a new short term rental business license tax equal to \$2.50 per room for each day such a room is rented. Measure O taxes will be collected in addition to the City's standard TOT. While Measure O is a tax on short term rental businesses similar to a transient occupancy tax, the City categorizes Measure O tax collections as business license taxes, however, Measure O revenues are available to the City's General Fund for any lawful purpose. The City's Measure O taxes will continue to be collected unless terminated by the voters of the City. The City anticipates that Measure O collections will generate approximately \$250,000 per year.

Concentration of Transient Occupancy Tax Generators. The City's TOT revenues are generated primarily by two hotel properties located at Sierra Point, a Homewood Suites by Hilton and a Doubletree by Hilton. Both hotels were built in the early 2000's. The Double Tree is a full-service hotel that caters to "end of vacation" stays for tours, the night before they travel from San Francisco International Airport that is approximately 5 minutes away. This hotel often receives guest as overflow from San Francisco as it is only a ten-minute drive to downtown. The Double Tree also serves many business travelers. The Homewood Suites is an extended stay hotel with in-room kitchens. The Homewood Suites serves a clientele that includes various workers, including construction workers that are in the area for an extended period.

While the City's TOT also applies to non-hotel short term rentals, the City has issued less than 5 permits to date. The amount of TOT revenue generated by non-hotel TOT taxpayers is minimal.

While the Homewood Suites by Hilton and Doubletree by Hilton each stayed open during the COVID-19 Pandemic, each hotel experienced significant reductions in occupancy rates from their historical norms, declining to approximately 1/3 of pre-COVID-19 Pandemic levels. While hotel occupancy at the

two hotels has increased significantly from the lows experienced during the COVID-19 Pandemic, occupancy has not yet fully recovered to pre-COVID-19 Pandemic levels.

Business License Taxes

Any person transacting or carrying on any business within the city limits of the City is required to obtain a City of Brisbane Business License. The City's business license taxes are assessed on businesses within the City according to their Standard Industrial Classification (type of business). The City's business license taxes vary from Standard Industrial Classification to Standard Industrial Classification and can include flat amounts due periodically, square footage taxes, and gross receipts taxes, among others. For a complete description of each of the business license taxes applicable to businesses in the City, see the Business Licenses page on the City's website at <https://www.brisbaneca.org/finance/page/business-licenses> and Title 5 of the City's Municipal Code.

Other Sources of General Fund Revenues,

In addition, the City receives approximately 30% of its annual General Fund revenues from the following sources:

Franchise Fees. The City receives franchise fees from various public utilities and other corporations who furnish gas, electric, Cable TV, refuse or similar services to citizens living within the City. The various fees are delineated in franchise agreements and are paid directly to the City by these franchisees.

Charges for Services. The City receives revenues from certain municipal services it provides. By law, the City may not charge more than the cost of providing the services.

Licenses and Permits. The City charges certain permits, licenses and fees for the cost recovery of providing current planning, building inspection, recreation and other municipal services.

Fines, Forfeitures and Penalties. These revenues include parking citations and other fines for municipal code violations.

OTHER FINANCIAL INFORMATION

Currently 86 permanent City employees are covered by negotiated agreements as detailed in the table below. The City also employs 58 additional employees unrepresented by a collective bargaining unit for a total of 144 employees in total.

Table 14
CITY OF BRISBANE
NEGOTIATED EMPLOYEE AGREEMENTS

Bargaining Unit	Contract Expiration Date	Number of Employees
City Manager	12/31/2023	1
Brisbane Fire Management	6/30/2026	1
Confidential Employees	6/30/2026	6
Confidential Management Employees	6/30/2026	1
Executive Management Employees	6/30/2026	4
General Employees Association	6/30/2026	32
Intl. Assoc. of Firefighters, Local 2400	6/30/2026	10
Mid-Management/Professional Employees Group	6/30/2026	15
Police Chief	6/30/2026	1
Police Commander	6/30/2026	1
Police Officers Association	6/30/2026	14
Total		86

Source: City of Brisbane

Risk Management

General Liability. The City participates in a joint powers agreement through the Bay Cities Joint Powers Insurance Authority (the “BCJPIA”) which is a general liability risk pool. BCJPIA was created as a California Public Agency by an agreement between certain public agencies in the San Francisco Bay Area to provide general liability coverage. BCJPIA is governed by a Board of Directors which is comprised of officials appointed by each member city or agency. Annually, each member pays an actuarially determined premium based on a formula which takes into account the prior three years’ loss experience, annual payroll, and population.

The City self-insures the first \$25,000 of each liability loss. The BCJPIA pools the layer from \$25,001 and purchases excess insurance from \$1,000,000 per year.

Workers’ Compensation. On July 1, 2000, the City became a member of Workers’ Compensation from Local Agency Workers’ Compensation Excess Joint Powers Authority (“LAWCX”). The LAWCX is a public agency created in 1992 by and among self-insured workers’ compensation joint power authorities, individual public entities, and special districts throughout California to provide a pooled approach to excess workers’ compensation insurance pursuant to the California Government Code. The LAWCX is governed by a Board of Directors which is comprised of appointed officials from its member entities. The purpose of the pool is to provide excess workers’ compensation insurance to its member agencies.

The City is self-insured for the first \$150,000 of a claim. The LAWCX covers claims from \$150,001 to \$1,000,000 and purchases excess insurance from \$1,000,000 up to statutory limit. Prior to July 1, 2000

the City was a member of the San Mateo County Cities Group (Cities Group). When the City left the Cities Group it took on the responsibility for all current and future claims which would have been covered by the Cities Group.

Long-Term Disability and Other Benefit Insurance. Other coverage provided to the City's workers, such as long-term disability, and unemployment insurance are covered by purchased insurance.

For additional information about the City's Risk Management, see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022, Note 12.

Employee Retirement Plans

The information set forth below regarding the California Public Employees' Retirement System ("CalPERS") program, other than the information provided by the City regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the City or the Underwriter.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The City has also established a Public Agency Retirement System Retirement Enhancement Plan (the "PARS Plan"), an agent multiple-employer plan, effective October 2005 for an executive employee of the City.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The PARS Plan provides a 1% enhancement to the current CalPERS benefit formula. Benefit service includes all full-time continuous service with the City from date of hire. The participant is eligible to receive the benefit at age 63 after 10 years of full-time continuous service and concurrent termination of employment from the City and retirement under CalPERS.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's combined contributions to its Miscellaneous, Safety, and PARS Plans for the most recent fiscal years is summarized in the following table.

Table 15
CITY OF BRISBANE
HISTORICAL PENSION CONTRIBUTIONS

Fiscal Year Ending June 30,	Miscellaneous Plan Contribution	Safety Plan Contribution	PARS Plan Contribution	Total Combined Contributions
2018	\$ 956,571	\$ 928,535	\$21,158	\$1,906,264
2019	1,116,863	1,074,377	35,337	2,226,577
2020	1,321,787	1,210,715	37,400	2,569,902
2021	1,485,149	1,400,561	37,400	2,923,110
2022	1,637,353	1,571,251	37,400	3,246,004

Source: City of Brisbane fiscal year 2021-22 Annual Comprehensive Financial Report.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2022, the City recognized pension expense of \$4,023,057 for the combined Plans. On June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 16
CITY OF BRISBANE
DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
FISCAL YEAR 2021-22

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$1,637,353	-	\$ 1,571,251	-
Diff. btw. actual and expected experience	467,836	-	2,078,710	-
Changes in assumptions	-	-	-	-
Differences in proportions	169,849	\$ (46,332)	-	\$(1,345,705)
Net diff. btw. projected and actual earnings on investment	-	(3,641,866)	-	(7,241,664)
Changes in employer's portion	118,957	(2,659,680)	4,044,229	(76,673)
Total	\$2,393,995	\$(6,347,878)	\$7,694,190	\$(8,664,042)

Source: City of Brisbane fiscal year 2021-22 Annual Comprehensive Financial Report.

Funded Status. The following table sets forth a summary of the funding progress for the City's combined Plans for the most recent actuarial valuation dates.

Table 17
CITY OF BRISBANE
HISTORICAL PENSION FUNDING PROGRESS

Fiscal Year Ended June 30,	Net Pension Liability	Funded Ratio	Covered Payroll
Miscellaneous			
2018	\$10,728,646	73.7%	\$4,485,437
2019	10,544,479	72.2	4,822,422
2020	11,463,436	72.1	5,116,913
2021	12,374,693	71.4	5,681,738
2022	4,171,920	81.6	6,036,451
Safety			
2018	\$10,298,325	74.8%	\$3,201,004
2019	10,437,355	72.9	3,050,669
2020	11,392,654	72.8	3,205,518
2021	12,598,788	71.8	3,087,221
2022	12,166,933	80.8	3,479,518
PARS			
2018	\$ 91,335	84.42%	\$237,847
2019	82,985	87.11	247,000
2020	38,174	94.14	251,940
2021	(73,251)	110.28	263,451
2022	49,819	93.45	263,451

Source: City of Brisbane fiscal year 2021-22 Annual Comprehensive Financial Report.

CalPERS Amortization Period Reform. On February 13, 2018, the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period began with new gains or losses accrued starting with the June 30, 2019 actuarial valuations. The first payments on the new 20-year amortization schedule took place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability ("UAL") contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The City cannot currently estimate the impact the shorter amortization period will have on its required contributions for its Miscellaneous, Safety, and PARS Plans. For information concerning the

Plans, including descriptions of the actuarial methods and assumptions, please see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022, Note 9.

Other Post-Employment Benefits

Plan Description. The City administers a single-employer defined benefit post-employment healthcare plan. Employees hired prior to July 1, 2008, have the stipulated years of service, and retire directly from the City, are eligible to receive up to the Kaiser rate (family or single, depending on MOU) and the Medicare eligible rate after reaching the age of 65. This same benefit may continue to a surviving spouse depending on the retirement plan election.

Employees Covered. Membership of the plan consisted of 53 retirees and beneficiaries receiving benefits, no inactive members entitled to but not yet receiving benefits and 78 active plan members at June 30, 2022.

Changes In Net OPEB Liability. The following table shows the changes in the City's net OPEB obligation to the Plan:

Table 18
CITY OF BRISBANE
CHANGE IN NET OPEB LIABILITY
Fiscal Year 2021-22

Service cost	\$ 216,149
Interest on OPEB liability	534,725
Dif. btw. actual and expected experience	(1,567,041)
Changes in assumptions	213,210
Investment gains or losses on expected return contributions	(494,601)
Employer contributions	(866,951)
Investment income	(183,804)
Administrative expenses	19,916
Net changes	(2,148,397)
Net OPEB obligation, beginning of the year	6,175,263
Net OPEB obligation, end of the year	<u>4,026,866</u>

Source: City of Brisbane fiscal year 2021-22 Annual Comprehensive Financial Report.

The following table shows a history of the City's outstanding OPEB obligation and covered payroll.

Table 19
CITY OF BRISBANE
HISTORIC OPEB LIABILITY

Fiscal Year Ending June 30,	Total OPEB Liability	Plan Net Position	Net OPEB Obligation (UAAL)
2018	\$6,772,332	\$1,195,729	\$5,576,603
2019	7,376,323	1,672,480	5,703,843
2020	8,444,061	2,189,421	6,254,640
2021	9,055,847	2,880,584	6,175,263
2022	8,065,939	4,039,073	4,026,866

Source: City of Brisbane fiscal year 2021-22 Annual Comprehensive Financial Report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

For information concerning the City's OPEB obligations, including descriptions of the actuarial methods and assumptions, please see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022, Note 10.

Debt Obligations

General Fund Obligations. On October 8, 2010, the City entered into a loan agreement with the California Energy Resources Conservation and Development Commission to finance the installation of LED street lighting. The interest rate on the loan is 1.00% per annum of which \$41,857 principal remains unpaid. The loan matures on December 22, 2025.

On June 26, 2013, the City entered into a \$1,611,000 lease agreement with the Brisbane Public On June 26, 2013, the City entered into a \$1,611,000 lease agreement with the Brisbane Public Financing Authority to fund its unfunded liability to the California Public Employees Retirement System relating to the City's Miscellaneous Pension Side Fund. The lease payments were assigned to Umpqua Bank which financed the project. The taxable interest rate allocable to the lease is 3.98% per annum.. The final principal payment of \$191,000 was paid on June 1, 2023.

On December 4, 2014, the Authority issued its \$5,470,000 Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (San Mateo County, California) Lease Revenue Refunding Bonds, Series 2014, to refund the outstanding Brisbane Public Financing Authority Lease Revenue Bonds, Series 2005B (City Hall Renovation and Expansion Project). Debt service on the bonds is paid by the City under a lease with the Authority. The bonds bear interest at various rates and are outstanding in the principal amount of \$3,665,000. The bonds mature on April 1, 2035.

On August 8, 2017, the City entered into a \$1,630,000 lease agreement with the Authority to refund bonds issued by the Brisbane Public Financing Authority in 2008 to finance a portion of the costs of the new City Library. renovations to the Brisbane City Hall. The lease payments were assigned to JPMorgan Chase Bank, N.A. which financed the project. The tax-exempt interest rate allocable to the lease is 2.21% per annum of which \$860,000 principal remains unpaid. The lease matures on April 1, 2029.

In 2018, the City entered into a \$1,700,000 unsecured loan agreement with the County to finance a portion of the costs of the new City Library. The interest rate on the loan is 1.20% per annum of which \$1,189,999 principal remains unpaid. The loan matures on April 15, 2033.

On Marc 24, 2022, the City entered into a \$4,355,000 lease agreement with the Authority to finance the the acquisition of a building in downtown Brisbane. The lease payments were assigned to Bank of the West which financed the project. The tax-exempt interest rate allocable to the lease is 3.250% per annum. The full amount of the principal remains unpaid. The lease matures on March 1, 2042.

Other Obligations. The City also has certain outstanding obligations relating to its water and sewer utilities and its marina that are not payable from the City's general fund.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective May 1, 2023. The Debt Report is included for general information purposes only. Neither the City nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither the City nor the Underwriter makes any representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the City; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City's assessed valuation represented in column 2.

Table 20
CITY OF BRISBANE
DIRECT AND OVERLAPPING BONDED DEBT
as of May 1, 2023

CITY OF BRISBANE

2022-23 Assessed Valuation: \$3,204,226,027

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/23</u>
San Mateo Community College District	1.111%	\$ 7,875,186
Jefferson Union High School District	11.759	29,433,784
Bayshore School District	17.331	1,563,256
Brisbane School District	60.966	<u>18,583,314</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$57,455,540
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Mateo County General Fund Obligations	1.111%	\$ 6,656,186
San Mateo County Board of Education Certificates of Participation	1.111	72,104
Jefferson Union High School District General Fund Obligations	11.759	5,584,349
City of Brisbane General Fund Obligations	100.000	8,880,000 (1)
City of Brisbane Pension Obligation Bonds	100.000	191,000
San Mateo County Mosquito and Vector Control District General Fund Obligations	1.111	<u>40,194</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$21,423,833
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 100.000%	 \$5,105,000
 COMBINED TOTAL DEBT		 \$83,984,373 (2)

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.79%
Total Direct Debt (\$9,071,000)	0.28%
Combined Total Debt	2.62%

Ratios to Successor Agency Redevelopment Incremental Valuation (\$1,059,929,515):

Total Overlapping Tax Increment Debt	0.48%
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Source: California Municipal Statistics, Inc.

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

STATE BUDGET INFORMATION

Information regarding the State Budget is regularly available at various State-maintained websites. The fiscal year 2023-24 State Budget described below can be found at the website of the Department of Finance, www.dof.ca.gov, under the heading “California Budget.” Additionally, an impartial analysis of the State’s Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and neither the City nor the Underwriter takes responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Budget Process. Through the State budget process, the State enacts legislation that significantly impacts the source, amount and timing of the receipt of revenues by local agencies, including the City. As in recent years, State budget deficits can result in legislation that adversely impacts local agency budgets.

The State’s fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the “Governor’s Budget”). Under State law, the annual proposed Governor’s Budget cannot provide for projected expenditures more than projected revenues and balances available from prior fiscal years. Following the submission of the Governor’s Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State’s website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the County and is not incorporated herein by reference.

The State Treasurer’s Internet home page at www.treasurer.ca.gov, under the heading “Financial Information,” posts the State’s audited financial statements. In addition, the “Financial Information” section includes the State’s Rule 15c2-12 filings for State bond issues. The “Financial Information” section also includes the “Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation” from the State’s most current Official Statement, which discusses the State budget and the state budget process in greater detail.

The State Legislative Analyst’s Office (“LAO”) prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst’s Internet home page at www.lao.ca.gov under the heading “Products.”

Fiscal Year 2023-24 Proposed State Budget. On January 10, 2023, Governor Gavin Newsom released his Proposed FY2023-24 State Budget (the “Proposed State Budget”). The Proposed State Budget forecasts general fund revenues \$29.5 billion lower than the level in the FY2022-23 State Budget, leading to an estimated budget gap of \$22.5 billion in FY2023-24. The primary driver of the decline in general fund revenues are reductions in withholding and capital gains taxes, inherently volatile revenues sources that can vary significantly from year to year depending on macroeconomic conditions such as inflation, federal reserve bank interest rate increases, and stock market declines. To preserve the state’s ability to respond to any potentially significant negative changes to the outlook in early 2023, the Proposed State Budget does not propose to suspend deposits to or draw from the state’s reserve accounts to close the budget gap and maintains the public school system stabilization account, safety net reserve, and budget stabilization accounts at or above fiscal year 2022-23 levels.

In order to close the estimated \$22.5 billion budget gap, the Proposed State Budget includes measures to delay or forgo certain near-term spending and to delay or preempt certain multi-year investments. Proposed measures included in the Proposed State Budget and their estimated savings include:

- **Funding Delays—\$7.4 billion.** Delay funding for multiple items across the 2021-22 through 2023-24 fiscal years spread across additional years without reducing the total amount of funding.
- **Reductions/Pullbacks—\$5.7 billion.** Reduce spending across the 2021-22 through 2023-24 fiscal years and pull back certain items that were included in the 2022-23 Budget Act to provide additional budget resilience. Significant items in this category include the \$3 billion included in the 2022-23 Budget as an inflationary adjustment, and a \$750 million Unemployment Trust Fund payment in fiscal year 2023-24.
- **Fund Shifts—\$4.3 billion.** Shift certain expenditures in the 2022-23 and 2023-24 fiscal years from the general fund to other funds. These include (1) shifting various California State University (CSU) capital outlay projects to CSU issued debt with the state providing support for the underlying debt service, (2) reverting certain bonds to cash projects from the 2022-23 Budget Act back to bonds, and (3) shifting certain Zero Emission Vehicle commitments to the Greenhouse Gas Reduction Fund.
- **Trigger Reductions—\$3.9 billion.** Reduce funding for certain items in the 2020-21 through 2023-24 fiscal years and places them in a “trigger” that would restore the reductions if it is determined that sufficient funds will be available to cover certain commitments. These items are primarily in the areas of Climate and Transportation (\$3.1 billion), Housing (\$600 million), Parks (\$106 million) and Workforce Training (\$55 million).
- **Additional Revenue Generation—\$1.2 billion.** Augment general fund revenues primarily by renewing the State’s Managed Care Organization Tax.

Though the measures included in the Proposed State Budget are adequate to close the budget gap, considerable risks to the State's economy remain if the State's economy slips into a recession in the coming months.

LAO's Analysis of the Proposed State Budget. On January 13, 2023, the Legislative Analyst's Office ("LAO") released its analysis (the "LAO Analysis") of the Proposed State Budget. The LAO Analysis confirms that the measures included in the Proposed State Budget are sufficient to close the estimated budget gap projected in both the Proposed State Budget and the LAO Analysis without using funds from the state's reserves. The LAO Analysis approves of the Proposed State Budget's use of spending-related reductions and delays because of the manageable size of the budget gap and the preservation of the State's reserves that could be needed to address downside risks to revenues posed by the presently heightened risk of recession. Despite the adequacy of the solutions in the Proposed State Budget, the LAO recommends the state legislature: (1) plan for a larger budget problem and (2) address that larger problem by reducing more one-time and temporary spending.

May Revision to Fiscal Year 2023-24 Proposed State Budget. On May 12, 2023, Governor Gavin Newsom released the May Revision to the Proposed FY2023-24 State Budget (the "May Revision"). The May Revision projects a revenue shortfall, after transfers and adjustments, of \$9.3 billion in addition to the \$22.5 billion shortfall already projected in the Proposed FY2023-24 State Budget. The additional revenue shortfall results in part from higher-than-expected inflation rates, lower-than-expected tax receipts, and the State's decision to let taxpayers in winter-storm effected counties delay the filing of their tax returns. When combined with, and accounting for slight adjustments to the \$22.5 billion shortfall in the Proposed FY2023-24 State Budget, the May Revision projects a \$31.5 billion shortfall.

The May Revision projects a level of \$37.2 billion in total budgetary reserves and does not project a need to draw on any of the State's reserves except for a portion of the Safety Net Reserve. The projected reserve levels in the May Revision includes \$22.3 billion in the Budget Stabilization Account, \$10.7 billion in the Public School System Stabilization Account, \$450 million in the Safety Net Reserve (net of the \$450 million dollar draw), and \$3.8 billion in the state's operating reserve, the Special Fund for Economic Uncertainties.

The May Revision addresses the projected additional \$9.3 billion budget shortfall through several solutions to be considered in addition to those already included in the Proposed FY2023-24 State Budget, including:

- **Spending Reductions and Pullbacks** — Reduction of an additional \$1.1 billion in spending across the State's 2021-22 through 2023-24 fiscal years. The reductions in the May Revision generally reflect reversions of unused funds, rather than cuts to programs. For example, \$200 million in unallocated Middle Class Tax Refunds, \$149.4 million in unused funds for the Utility Arrearages Program, and \$280 million of unspent funds for the 2021-22 fiscal year for CalWORKs county administration and services will revert to the General Fund.
- **Delayed Spending** — Delays an additional \$695 million across the multi-year budget period without reducing the total amount of funding through the same period. Major items in this category at the May Revision include: \$295 million moved into the out-years for the Foreclosure Intervention Housing Prevention Program (while maintaining \$205 million in the current year and budget year).

- **Fund Shifts**— Includes \$3.3 billion in shifts of spending commitments from the General Fund to other funds. Major items in this category at the May Revision include \$1.1 billion in climate related investments shifted to a climate bond, \$635 million of Zero Emission Vehicle investments shifted to Greenhouse Gas Reduction Fund, and \$1.1 billion for student housing projects shifted to bonds.
- **Revenue/Borrowing** — Includes \$3.7 billion in revenue and borrowing, which consist primarily of an additional \$2.5 billion from the Managed Care Organization tax and \$1.2 billion in additional borrowing from special funds.
- **Safety Net Reserve Withdrawal** — Includes the withdrawal of \$450 million from the Safety Net Reserve. This represents half of the funds available in the reserve, leaving a balance of \$450 million if subsequently needed.

The Governor notes in the May Revision that the State faces additional financial risks to its finances that could result from the economic fallout from a debt limit impasse if congress is unable or unwilling to raise the federal debt limit, continued inflation and interest rate growth, uncertainty in the financial system caused by the failures of regional banks, and the difficulty in projecting tax revenues due to the tax returns from most counties in the State not being due until October. These financial risks could result in additional budget shortfalls that would need to be addressed by the State's Final FY2023-24 State Budget, expected to be adopted before the June 15 deadline and signed by the Governor prior to July 1.

Additional Information. For additional information regarding the Proposed State Budget, please see the Department of Finance website at ebudget.ca.gov. For additional information regarding the LAO Analysis, please see the Legislative Analyst's Office website at lao.ca.gov. The City can take no responsibility for the continued accuracy of the above-referenced internet address as for the or for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by reference.

While the City expects that the Proposed State Budget will have a materially negative effect on its finances, the City cannot predict such impacts with certainty. Additionally, the City cannot predict the accuracy of any projections made in the Proposed State Budget.

Future State Budgets. The City receives a portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the City and other cities in the State.

In addition, the City cannot predict the outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control. See also "RISK FACTORS—Dependence on State for Certain Revenues."

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIII A of the State Constitution

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any ad valorem tax on real property to one percent of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) on bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to directly levy any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the California Constitution

In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual “appropriations limit” imposed by Article XIII B which effectively limits the amount of such revenues those

entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on Bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each agency’s actual appropriations be tested against its limit every two years.

If the aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years.

The City has never exceeded its appropriations limit.

Articles XIII C and XIII D (Proposition 218) of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the “Right to Vote on Taxes Act” (“Proposition 218”). Proposition 218 added Articles XIII C and XIII D to the California Constitution and contained a number of interrelated provisions affecting the ability of local governments, including the City, to levy and collect both existing and future taxes and assessments, fees and charges.

Article XIII C and XIII D of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State

Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIIIC define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Taxes. Article XIIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City (“general taxes”) require a majority vote; taxes for specific purposes (“special taxes”), even if deposited in the City’s General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund.

Burden of Proof. Article XIIIIC provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIIID provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIIIC and XIIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

Proposition 1A; Proposition 22

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State’s Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to

pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 19

Proposition 19, entitled “Property Tax Transfers, Exemptions, and Revenue for Wildfire Agencies and Counties Amendment,” was approved by the voters of the State in November 2020. Proposition 19 amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection.

The City cannot predict the impact that Proposition 19 might have on assessed values or property tax revenues in the City, or any other impacts on the local economy or the City’s financial condition.

Taxpayer Protection and Government Accountability Act Initiative

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known as the “Taxpayer Protection and Government Accountability Act,” had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

The City cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State or the City.

Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D and Propositions 111, 218 and 1A were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time-to-time other initiative measures could be adopted, further affecting revenues of the City or the City’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Limited Obligation

The Bonds are not City debt and are limited obligations of the Authority. Neither the full faith and credit of the Authority nor the City is pledged for the payment of the interest on or principal of the Bonds nor for the payment of Lease Payments. The Authority has no taxing power. The obligation of the City to pay Lease Payments when due is an obligation payable from amounts in the general fund of the City. The obligation of the City to make Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Lease Payments under the Lease Agreement constitute a debt or indebtedness of the Authority, the City, the State or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restrictions.

Lease Payments Are Not Debt

The obligation of the City to make the Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Lease Payments constitute a debt of the City, the State or any political subdivision thereof (other than the Authority) within the meaning of any constitutional or statutory debt limitation or restriction.

The Bonds are not general obligations of the Authority, but are limited obligations payable solely from and secured by a pledge of Revenues and amounts held in the funds and accounts created under the Indenture, consisting primarily of Lease Payments. The Authority has no taxing power.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Lease Agreement to pay the Lease Payments from any source of legally available funds and the City has covenanted in the Lease Agreement that, for so long as the Property is available for its use, it will make the necessary annual appropriations within its budget for the Lease Payments. The City is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Lease Payments, or which the City, in its discretion, may determine to pay prior to the Lease Payments.

The City has the capacity to enter into other obligations payable from the City's general fund, without the consent of or prior notice to the Owners of the Bonds. To the extent that additional obligations

are incurred by the City, the funds available to make Lease Payments may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other municipal services before making Lease Payments. The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. The City's appropriations, however, have never exceeded the limitations on appropriations under Article XIII B of the California Constitution. For information on the City's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS–Article XIII B of the California Constitution."

Cash Management

The City has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes which may be employed to the extent the City Council is required to make budget adjustments in order to maintain a balanced budget. If the City does not take required actions and the budget remains out of balance, the cash requirements of the City may exceed available cash flow. The ability of the City to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period of time. The City has the legal authority to issue "warrants" in place of cash to meet various types of expenditures or appropriations as an additional means to manage its cash flow. See "CITY FINANCIAL INFORMATION."

Additional Obligations of the City

The Lease Agreement does not prohibit the City from incurring additional lease and other obligations payable from the City's General Fund.

Valid and Binding Obligation to Budget and Appropriate

Pursuant to the Lease Agreement, the City covenants to take such action as may be necessary to include Lease Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon issuance of the Bonds, Bond Counsel will render its opinions (substantially in the form of APPENDIX E–PROPOSED FORM OF BOND COUNSEL OPINION) to the effect that, subject to the limitations and qualifications described therein, the Lease Agreement constitutes a valid and binding obligation of the City. As to the Authority's practical realization of remedies upon default by the City, see "–Limitations on Remedies."

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Property caused by material damage, title defect, destruction to or condemnation of the Property, Lease Payments will be subject to abatement. In the event that such component of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Property or prepayment of the Bonds, there could be

insufficient funds to make payments to Owners in full. Reduction in Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Property is substantially higher or lower than its value at the time of the execution and delivery of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell a fee simple interest in the Property and use the proceeds of such sale to prepay the Bonds or pay debt service thereon. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

Limitation on Remedies

The enforcement of any remedies provided in the Lease Agreement and the Indenture could prove both expensive and time consuming. Although the Lease Agreement provides that if the City defaults the Trustee may reenter the Property and re-let the Property, portions of the Property may not be easily recoverable, and even if recovered, could be of little value to others because of the Property's specialized nature. Additionally, the Trustee may have limited ability to re-let the Property to provide a source of rental payments sufficient to pay the principal of and interest on the Bonds so as to preserve the tax-exempt nature of interest on the Bonds. The Trustee is not obligated to re-let the Property in a manner so as to preserve the tax-exempt nature of interest on the Bonds. Furthermore, due to the governmental nature of the Property, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Trustee may terminate the Lease Agreement and proceed against the City to recover damages pursuant to the Lease Agreement. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

The rights of the Owners of the Bonds are subject to certain limitations on legal remedies against cities, redevelopment agencies and other governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Bonds may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and

legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Authority could be prohibited or severely restricted from taking any steps to enforce their rights under the Lease Agreement and from taking any steps to collect amounts due from the City under the Lease Agreement.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Bondowners.

Concentration of Revenue Sources

The City's General Fund receives significant tax revenues that are generated from a small number of taxpayers. The City's recycling business license tax revenue is generated from a single taxpayer, Recology, the operator of a transfer station and hazardous waste facility located within the City. The recycling business license tax revenue from Recology has accounted for approximately ____% of the City's total General Fund revenues in recent years. Approximately 69% of the City's sales and use taxes revenues are generated by the five largest businesses operating within the City. The City's top twenty property taxpayers represent nearly half of the total amount of assessed value, with the two largest property taxpayers, owners of office campuses at Sierra Point, representing 10.40% and 8.17% of the assessed value. Additionally, the City's transient occupancy tax revenues are generated primarily from two hotels.

The revenue sources discussed above are discussed throughout this official statement, including "CITY FINANCIAL INFORMATION - Primary Sources of General Fund Revenues," "-Property Taxes," "-Sales and Use Taxes," "-Recycling Business License Taxes," and "-Transient Occupancy Taxes" herein. Such sections should be read in their entirety. The City is not aware of any plans by Recology to terminate operations at the transfer station and hazardous waste facility and expects operations at the facility to continue due to the proximity of the facility to Recology's service area. The City is not currently aware of any plans by its largest sales and use tax generators, its largest property taxpayers, or the two hotels to cease operations in the City.

Risk of Uninsured Loss Including Seismic Loss

The City, like much of California, is subject to seismic activity that could result in interference with its right to use and possession of the Property. The two faults likely to have the most impact on the County are the West Los Angeles Fault and Concord-Green Valley Fault Zone. The City is not obligated under the Lease Agreement to procure and maintain, or cause to be procured and maintained, earthquake insurance on the Property. Depending on its severity, an earthquake could result in abatement of Lease Payments under the Lease Agreement. See "—Abatement." The occurrence of severe seismic activity in the area of the Property could result in substantial damage and interference with the City's right to use and occupy all or a portion of the Property and result in Lease Payments being subject to abatement. See "—Abatement" above.

There can be no assurance that the providers of the City's liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Property will be sufficient to redeem the Bonds.

Under the Lease Agreement the City may obtain casualty insurance which provides for a deductible up to \$250,000. Should the City be required to meet such deductible expenses, the availability of general fund revenues to make Lease Payments may be correspondingly affected.

Eminent Domain

If the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if the Property or any part thereof is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking, and (b) there will be a partial abatement of Lease Payments as a result of the application of net proceeds of any eminent domain award to the prepayment of the Lease Payments, in an amount to be agreed upon by the City and the Authority such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Bankruptcy

The City is not subject to the involuntary procedures of the United States Bankruptcy Code (the "Bankruptcy Code"). However, pursuant to Chapter 9 of the Bankruptcy Code, the City may seek voluntary protection from its creditors for purposes of adjusting its debts. In the event the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease Agreement which makes the bankruptcy or insolvency of the City an event of default thereunder. In the event the City rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Bonds, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Bonds. Moreover, such rejection would terminate the Lease Agreement and the City's obligations to make payments thereunder.

The Authority is a public agency and, like the City, is not subject to the involuntary procedures of the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy

Code. In the event the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have priority of payment superior to that of the Owners of the Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the Authority's debt without the consent of the Trustee or all of the Owners of the Bonds, which plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable. However, the bankruptcy of the Authority, and not the City, should not affect the Trustee's rights under the Lease Agreement. The Authority could still challenge the assignment, and the Trustee and/or the Owners of the Bonds could be required to litigate these issues in order to protect their interests.

No Liability of Agency to Owners

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Owners of the Bonds with respect to the payment when due of the Lease Payments by the City, or with respect to the performance by the City of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Indenture, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

Tax Audit

The Internal Revenue Service (the "IRS") has an ongoing program of examining tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is properly excluded from gross income for federal income tax purposes. It is possible that the Bonds or other tax-exempt obligations of the City may be selected for examination under such program. There is no assurance that an IRS examination of the Bonds or other tax-exempt obligations of the City will not adversely affect the market value of the Bonds. See "TAX MATTERS."

The City has not been contacted by the IRS regarding the examination of any of its bond transactions.

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value or use of a parcel of property is a claim with regard to a hazardous substance. In general, the owners, lessors and/or lessees of a parcel of real property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in application. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has contributed to or caused contamination with the hazardous substances. The effect, therefore, should property in the City be affected by a hazardous substance, is to reduce both marketability and the value of property by the costs of remedying the condition. While the City is not currently aware of any such

condition, it is possible that such hazardous substance conditions do currently exist and that the City has not been made aware of their existence.

Natural Calamities/Climate Change

General. From time to time, the City has been and could be subject to natural calamities, including, but not limited to, earthquake, flood, sea level rise, or wildfire, that may adversely affect economic activity in the City, and which could have a negative impact on City finances. The risks of landslide, severe storms, sea level rise, and wildfire are all impacted by climate change. There can be no assurance that the occurrence of any natural calamity would not cause substantial damage to persons, property and structures in the City and could have a substantial negative effect on the City's General Fund.

Seismic. There are many faults running through the Bay Area - The San Andreas Fault, The Hayward Fault, The Calaveras Fault and the Rogers Creek Fault. The San Andreas Fault is the dominant structure in the system, nearly spanning the length of California, and capable of producing the highest magnitude earthquakes. Many other subparallel or branch faults within the San Andreas system are equally active and capable of generating large earthquakes. A map of the major fault lines in the Bay Area is provided below.

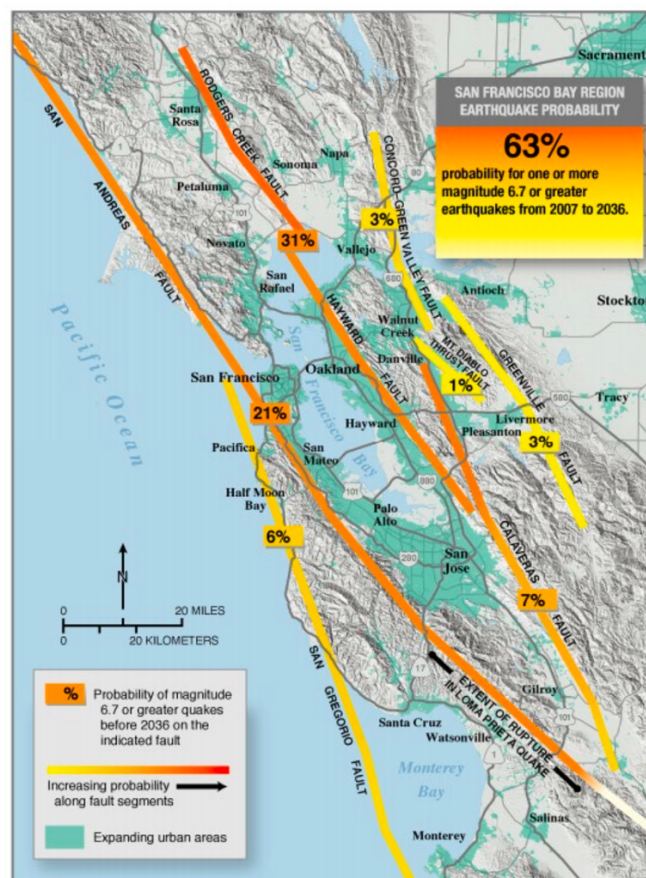
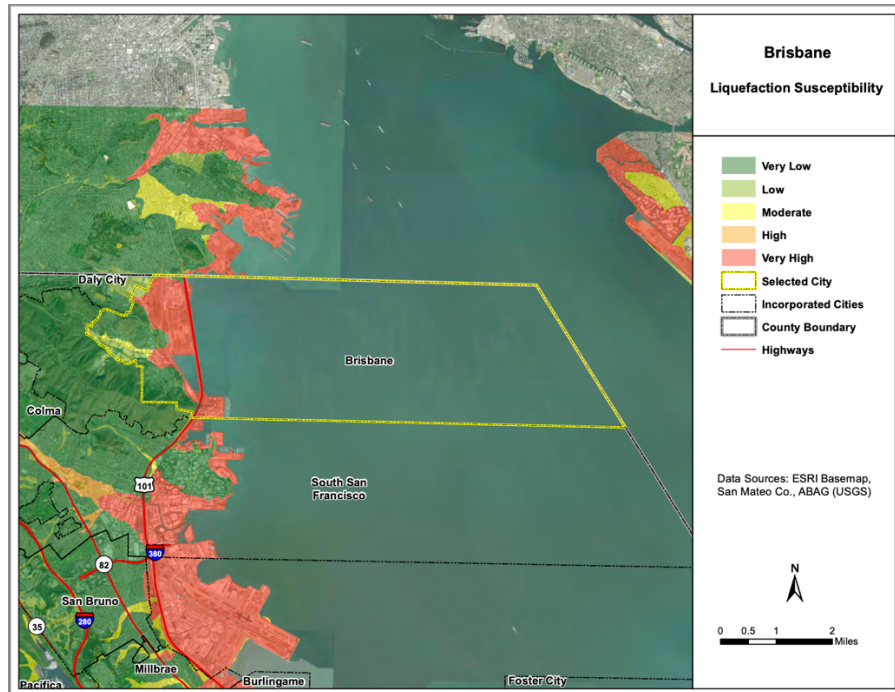


Figure 10-2. Significant Known Faults in the Bay Area

Soil liquefaction can occur when water-saturated sands, silts or gravelly soils are shaken so violently that the individual grains lose contact with one another and float freely in the water, turning the ground into

a pudding- like liquid. Building and road foundations lose load-bearing strength and may sink into what was previously solid ground. Unless properly secured, hazardous materials can be released, causing significant damage to the environment and people. A map of areas of the City susceptible to liquefaction is provided below.



Earthquakes can also cause disastrous landslides. River valleys are vulnerable to slope failure, often as a result of loss of cohesion in clay-rich soils. Earthen dams and levees are highly susceptible to seismic events, and the impacts of their eventual failures can be considered secondary risk exposure to earthquakes. Depending on the location, earthquakes can also trigger tsunamis. Additionally, fires can result from gas lines or power lines that are broken or downed during the earthquake. It may be difficult to control a fire, particularly if the water lines feeding fire hydrants are also broken.

The last earthquake with a magnitude over 5.0 with an epicenter in San Mateo County was the 1957 Daly City earthquake, with a magnitude of 5.3. While the epicenter of the magnitude 7.8 earthquake in 1906 on the San Andreas Fault was not within the County, it still caused extreme ground shaking. A similar earthquake in the future would likely do the same. The bay margins are likely to experience liquefaction in a major earthquake.

The following table lists the dates, magnitude, and epicenters of recent earthquakes of 5.0 magnitude or greater within a 100-mile radius of the County.

Date	Magnitude	Epicenter Location
8/24/2014	6.0	6 miles southwest of Napa, CA
10/31/2007	5.6	10 miles northeast of San Jose, CA
8/10/2001	5.50	9 miles west of Portola, CA
9/3/2000	5.17	8 miles northwest of Napa, CA
10/17/1989	7.1	10 miles northeast of Santa Cruz, CA
3/31/1986	5.70	12 miles east-northeast of Milpitas, CA

Source: USGS, 2021a

Drought. Drought conditions are likely to become more frequent and persistent over the 21st century due to climate change. Before reaching a crisis level, a prolonged drought in the City could have economic, environmental and social impacts for the City. Water companies may have to spend more money on new or additional water supplies resulting in increased costs for the consumer. Lower levels of water could cause more wildfires and loss of wetlands. There could be a threat to public safety in the form of health problems related to dust, lower water flows and poor water quality. There also could be damage to landscaping and city trees as well as an increased fire hazard. At a crisis level, the City, along with all the Bay Area would be severely impacted. This could result in water rationing.

The County receives 92 percent of its water through the regional Hetch Hetchy Water System, with the remainder of the County's water supply coming from surface, ground, and recycled water. The water system was so named because 85 percent of the water supply comes from the Sierra Nevada snowmelt stored in the Hetch Hetchy reservoir along the Tuolumne River in Yosemite National Park; the remaining 15 percent comes from runoff in the Alameda and Peninsula watersheds.

The Hetch Hetchy Water System (was approved in 1913 under the Raker Act, which allowed use of federal lands in the Sierra Nevada Mountains to build that water system. The system was constructed by San Francisco over 20 years, with first delivery of water in 1934. Although San Francisco owns the system, it was designed from the beginning to serve as a regional water supply system.

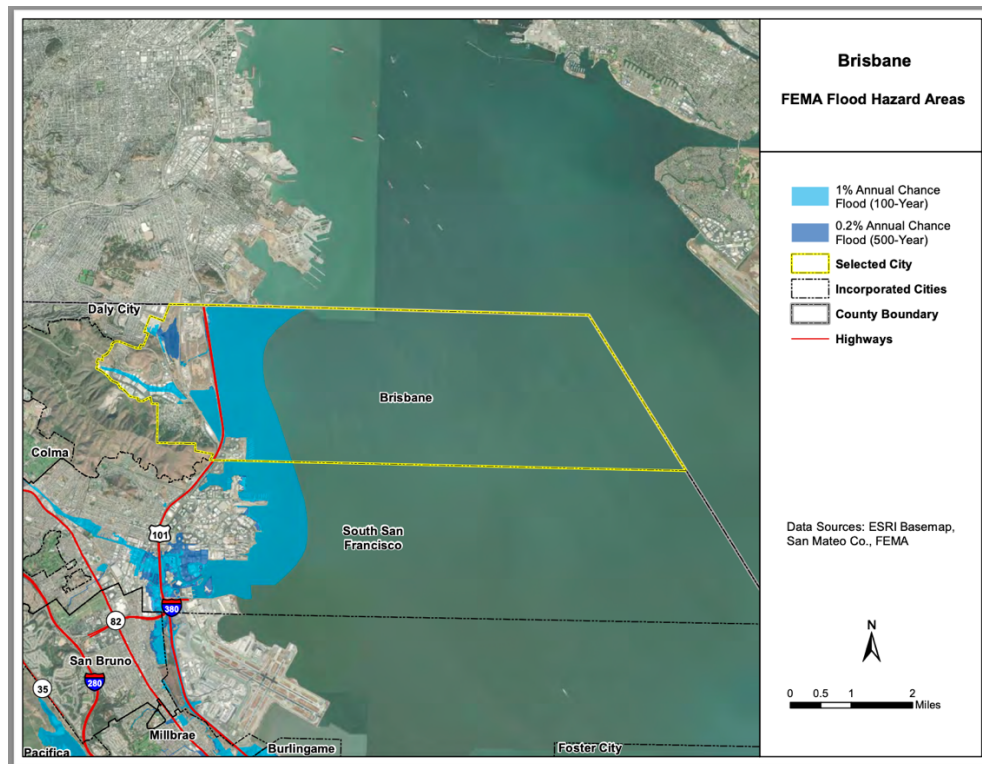
The Bay Area Water Supply Conservation Agency ("BAWSCA") is the main water provider for much of the Bay Area. It allows the County and its cities, water districts, and private utilities to coordinate to ensure the continual water supply necessary to maintain health, safety, and economic wellbeing of the community. BAWSCA agencies manage two-thirds of water consumption from the Hetch Hetchy Water System, providing water to 2.4 million people in San Francisco, Santa Clara, Alameda, and San Mateo Counties. In San Mateo County, BAWSCA services Brisbane, Burlingame, Daly City, East Palo Alto, Hillsborough, Menlo Park, Millbrae, Redwood City, San Bruno, Coastside County Water District, Estero Municipal Improvement District, Guadalupe Valley Municipal Improvement District, Mid-Peninsula Water District, Westborough Water District, and California Water Service Company (private utility).

The City and the County have experienced a number of droughts in recent years, including major droughts in 1976 to 1977, 1987 to 1992, 2007 to 2009, 2012 to 2017 and, most recently, 2020 until the present. Recent droughts have had significant effects on the southern coastline of the County because many community members in this area rely on creeks and wells that have stopped flowing. Rural communities in the County faced stringent limitations on bathing, using toilets, and washing items, and many ranches and farms in the area saw significant economic downturns. Urban parts of the San Francisco Bay area, including the City, experienced limitations in order to conserve water, but not to the extent imposed on rural community members.

The severity of any given drought depends on the degree of moisture deficiency, the duration, and the size and location of the affected area. The longer the duration of the drought and the larger the area impacted, the more severe the potential impacts.

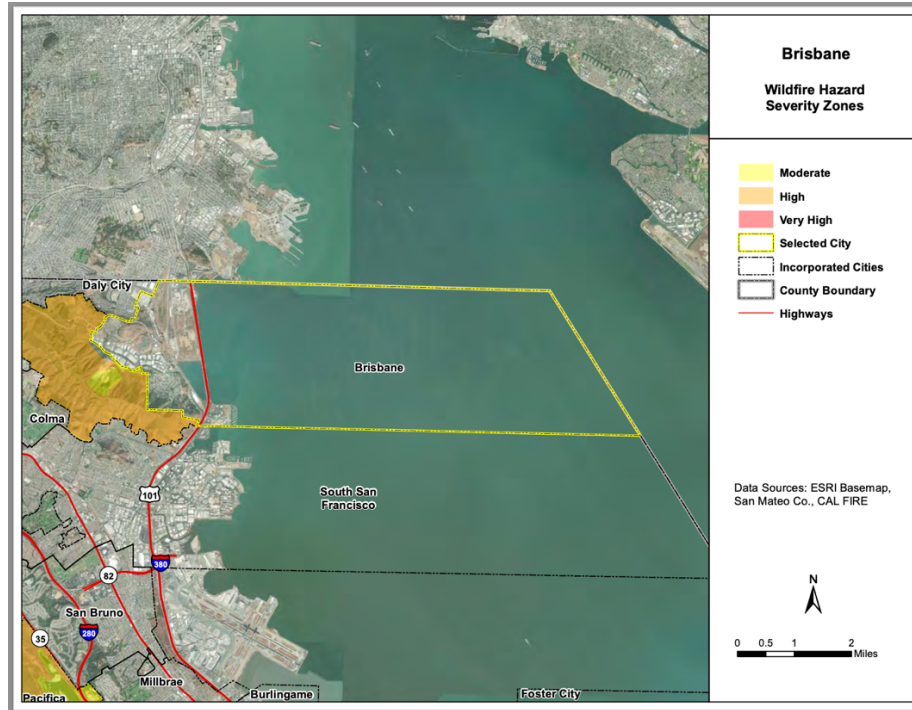
Flooding. While the City's assets are protected from historical floodplains, with more climate change-driven intense precipitation events there may be more frequent inundation of vulnerable assets. In a 100-year flood, which has a one percent chance of flooding in a given year, the City's parks along the Bay may be inundated. The peninsula may also be affected, but impacts are expected to be limited to the docks and boat slips. The 500-year flood, which has a 0.2 percent chance in a given year, does not have an

increased impact on the shoreline. The assets exposed to flooding near the Bay in Emeryville are strategically placed to reduce the risk of damage. The marina docks are meant to adjust to changing water levels and the parks are well suited to serve as storm barriers, minimizing the risk of flooding in the City.



Wildfire. In recent years, wildfires have caused extensive damage to cities throughout the State. In some instances, entire neighborhoods have been destroyed. Areas effected by wildfires may be more prone to flooding and mudslides.

Due to the City's adjacency to the State & County Park of San Bruno Mountain, most of our southern and western portion of the City is a wildland urban interface potential fire area. The adjacent State parkland has been designated a State Responsibility Area, where the State of California is financially responsible for the prevention and suppression of wildfires. Fires have periodically occurred in this area since recorded time prior to the City's incorporation in 1961, with the most recent major event occurring in 2006. Although these events have fortunately not expanded to require a state proclamation or federal declaration of disaster, the potential impact of fires originating in the wildland and impacting the urban area of the City is an ongoing focus of concern. A map of areas of the City susceptible to wildfire hazards is provided below.



Climate Change/Sea Level Rise. Climate change caused by human activities may have adverse effects on the City and its finances. Climate change can also result in more variable weather patterns throughout the State, rising bay water levels, increased risk of flooding, changes in salinity and tidal patterns of San Francisco Bay, coastal erosion, drought, water restrictions and vegetation changes. Portions of the City are located adjacent to the San Francisco Bay and may be negatively impacted by these and other results of climate change. The City considers the potential effects of climate change in its planning.

Flooding, erosion, and sea level rise not only directly threaten people and property in the sea level rise hazard areas, but they also affect all communities in the County, even those on high ground. Such indirect effects are present because assets and infrastructure in the sea level rise areas provide critical services and functions to communities outside these areas. The County is already exposed to present-day flooding when large rain events coincide with high tides on the San Francisco Bay, making it imperative to create action steps to reduce risk. Vulnerable assets are located along both the Pacific Coast and the San Francisco Bay; they include critical infrastructure (police stations, hospitals, wastewater treatment plants, and schools); essential regional transportation networks and infrastructure (Bay Area Rapid Transit, Caltrain, Highway 101, State Route 1); and important regional natural and recreational assets (Pacifica State Beach, the California Coastal Trail, and the Ravenswood Pond Complex).

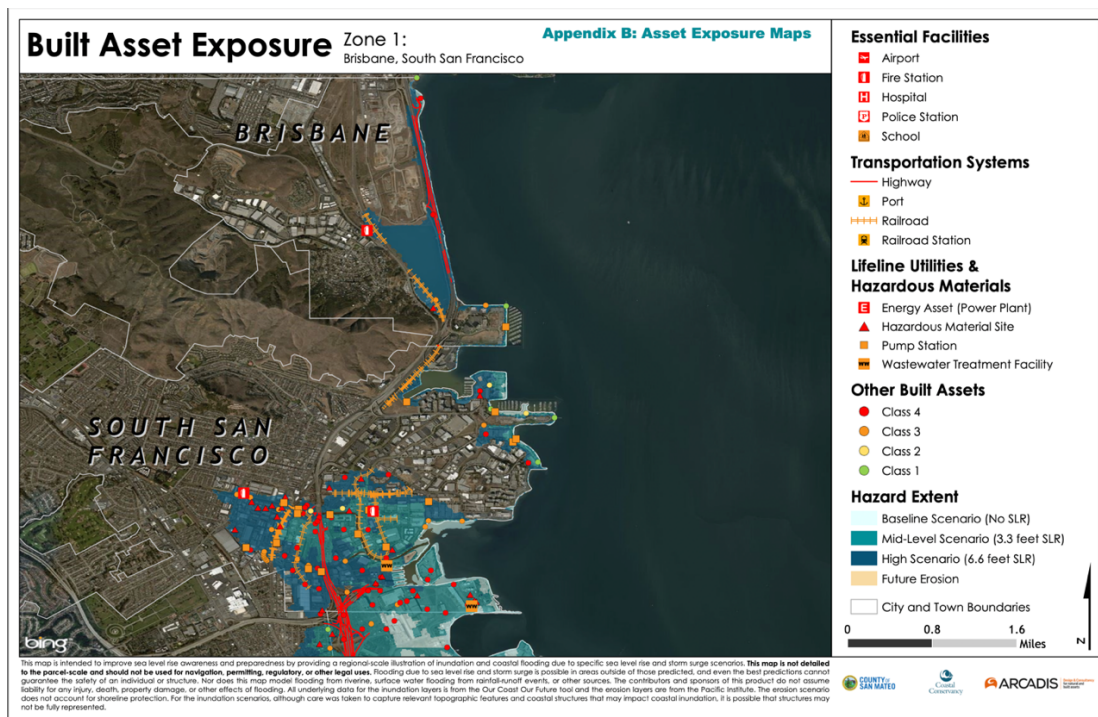
Given current trends in greenhouse gas emissions and increasing global temperatures, sea level rise is expected to accelerate in the coming decades, with scientists projecting an increase in sea level in the San Francisco area by 2100 of anywhere from 1.0 to 10.2 feet. Damaging coastal flooding events over the next few decades are likely to be dominated by large El Niño-driven storms in combination with high tides and large waves. Impacts will generally become more frequent and more severe in the latter half of this century.

In response to the risks associated with climate change and rising sea levels, the County established the Sea Change SMC Initiative in 2015. The purpose of the SMC Initiative is to facilitate coordinated Countywide action on sea level rise. The first two tasks under Sea Change SMC included commencement

of the San Mateo County Sea Level Rise Vulnerability Assessment (the “SLR Assessment”) and initiating a community engagement process to build support for cross jurisdictional collaboration.

The SLR Assessment, which was supported and funded by the County and the California State Coastal Conservancy, began in 2015 and covers the entire County except the area south of Half Moon Bay. The goals of the Assessment were to assess vulnerability, identify impacts of flooding and erosion on people, places, and critical infrastructure, and provide a menu of actionable solutions to protect people and places.

A map of asset exposure in Zone 1 of the County (which includes the City), excerpted from the SLR Assessment is provided below. The map shows the areas of the City and surrounding area that vulnerable given certain levels of sea rise. The vulnerable areas of the City include lands adjacent to the San Francisco Bay, the Brisbane Lagoon, the Marina, and the Sierra Point development.



Source: San Mateo County Sea Level Rise Vulnerability Assessment Report.

In addition to identifying the risks associated with sea level rise in the County, the SLR Assessment also contains suggestions for near and long-term policy guidance for to mitigate the risks of sea level rise at the building, neighborhood, city, and regional levels.

For a full copy of the SLR Assessment and for additional discussion of sea level rise, climate change, and their effects on the County, please visit the SMC Initiative’s website at <https://seachangesmc.org>. This website and the full SLR Assessment are not incorporated herein by this reference.

OneShoreline. The City also is a member of OneShoreline, a flood and sea level rise resiliency district comprised of San Mateo County and the County’s 20 incorporated cities. OneShoreline was founded to improve the resiliency of coastal areas to the climate change-related impacts of sea level rise, flooding, and coastal erosion. OneShoreline coordinates the planning, design, permitting, funding, and construction of complex cross-jurisdictional projects. OneShoreline is actively engaged in a number of sea

level rise mitigation projects throughout the County. For additional information about OneShoreline, including a list of OneShoreline's current projects, please visit Oneshoreline's website at <https://oneshoreline.org/>. This website is not incorporated herein by this reference.

The City's Climate Action Plan. On September 17, 2015, Brisbane adopted its first Climate Action Plan, which established a greenhouse gas emission reduction goal of 15% below 2005 levels by the year 2020. This plan is a comprehensive and strategic approach to sustainability, recommending actions that will engage all members of Brisbane's community in this journey to protect our environment. A Sustainability Framework was also developed to identify key sustainability principles to be addressed in future Baylands development. The City's Climate Action Plan and Sustainability Framework can be viewed on the City's website at www.brisbaneca.org/publicworks/page/sustainability. Such website is not incorporated herein by this reference.

Projections of the impacts of global climate change on the City are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the City's past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures.

Risk of Changing Economic Conditions

While the City has historically enjoyed strong economic and financial performance, the City faces several long-term financial challenges including climate change and sea level rise, changes to the economy of the region and the nation, and the management of pension and post-employment retirement obligations. While the City has adopted measures and policies to better position its operating budgets for future risks and future economic downturns, such measures may not be sufficient.

The general economy of the City is also subject to the types of risks generally associated with all urban real estate markets. Real estate prices may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in home improvement costs and by other similar factors.

Public Health Emergencies

The COVID-19 Pandemic is ongoing, and its duration and severity and economic effects are uncertain in many respects and difficult to forecast. The ultimate impacts of the COVID-19 Pandemic on the City's operations and financings and on the local economy, real estate market and development within the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 Pandemic is known. Further, there could be future outbreaks of other COVID-19 variants or other public health emergencies that could have material adverse effects on the City's operations and finances.

Potential Impact of State Financial Condition on the City

During the most recent recession, the State faced a structural deficit that resulted in substantial annual deficits and reductions in expenditures. Although the State has had a budget surplus in the more

recent fiscal years, according to the State there remain a number of major risks and pressures that threaten the State's financial condition, including the threat of recession, potential changes to federal fiscal policies and unfunded long-term liabilities of more than \$200 billion related to pensions and other post-retirement benefits. These risks and financial pressures could result in future reductions or deferrals in amounts payable to the City. The State's financial condition and budget policies affect local public agencies throughout California. To the extent that the State budget process results in reduced revenues to the City, the City will be required to adjust its budget. State budget policies can also impact conditions in the local economy and could have an adverse effect on the local economy and the City's major revenue sources.

No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control (see "STATE BUDGET INFORMATION"). The ability of the state to divert funds from the City has been limited by Proposition 1A and Proposition 22, which are discussed herein. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Limited Secondary Market

As stated herein, investment in the Bonds poses certain economic risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand the risk of investment in the Bonds should consider such investment. There can be no guarantee that there will be a secondary market for purchase or sale of the Bonds or, if a secondary market exists, that the Bonds can or could be sold for any particular price.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans.

Risks Related to Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically

secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City's own administrative regulations. Within the City's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City's computers and technologies.

The City participates in a core cyber liability coverage through its participation in the Alliant Property Insurance Program (APIP) for property coverage as a member of the Bay City Joint Powers Insurance Authority (BCJPIA). BCJPIA is in the process of creating a pooled cyber liability insurance program for excess coverage in which the City expects to participate. To maintain eligibility, the program requires annual cyber audits where a plan must be presented within 90 days to address any deficiencies.

While the City routinely maintains its technology systems and continuously implements new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the general fund revenues of the City and consequently, having an adverse effect on the security for the Bonds.

MUNICIPAL ADVISOR

JNA Consulting Group, LLC (the "Municipal Advisor"), is registered as a "Municipal Advisor" with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The Municipal Advisor has assisted the Authority and the City in connection with the planning, structuring, sale and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness or fairness of the information contained in this Official Statement not provided by the Municipal Advisor. The fees of the Municipal Advisor in respect to the Bonds are contingent upon their sale and delivery. The Municipal Advisor is an independent advisory firm and not engaged in the business of underwriting, trading or distributing municipal or other public securities.

LEGAL MATTERS

All legal matters in connection with the issuance, sale and delivery of the Bonds are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Bond Counsel's opinion with respect to the Bonds will be substantially in the form set forth in APPENDIX E—PROPOSED FORM OF BOND COUNSEL OPINION. Certain legal matters will also be passed on for the Authority by Quint & Thimmig LLP, as Disclosure Counsel, and for the Authority by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, Irvine, California. The fees and expenses of Bond

Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds.

ABSENCE OF LITIGATION

At the time of issuance of the Bonds, the Authority and the City will certify that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court or regulatory agency, public board, or body pending or threatened against the City or the Authority affecting their existence or the titles of their respective officers or seeking to restrain or to enjoin the issuance, sale, or delivery of the Bonds, or the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the Bonds, any agreement entered into between the City and any purchaser of the Bonds, the Lease Agreement, the Indenture, the Site and Facility Lease or any other applicable agreements or any action of the City or the Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or the Authority or their authority with respect to the Bonds or any action of the City or the Authority contemplated by any of said documents, nor, to the knowledge of the City or the Authority, is there any basis therefor.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned the rating of "____" to the Bonds. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P at 55 Water Street, New York, NY 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City has covenanted to provide certain financial information and operating data relating to the City and the balances of funds relating to the Bonds, by not later than March 31 of each fiscal year commencing with the report for the Fiscal Year ending June 30, 2022 (the "Annual Information"), and to provide notices of the occurrence of certain enumerated events, if deemed by the City to be material. The Annual Information and notices of material events will be filed by the City or the Dissemination Agent, with the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access ("EMMA") system. The nature of the information to be provided in the Annual Information and the notices of material events is set forth in APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

During the past five years City has not failed to make all required filings with EMMA [TO BE CONFIRMED].

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of delivery of the Bonds.

Subject to compliance by the County with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “Code”). For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the County with respect to certain material facts within the County’s knowledge. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “OID Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Certificate in the initial public offering at the OID Issue Price for such maturity and who holds such OID Certificate to its stated maturity, subject to the condition that the County complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Certificate constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Certificate at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal

income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity or, in the case of an OID Certificate, its OID Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Certificate for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Certificate. Investors who purchase a Certificate at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Certificate's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds delivered prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the County as a taxpayer and the Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest with respect to the Bonds is exempt from California personal income taxes.

Ownership of the Bonds may result in other State and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such State and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX E—PROPOSED FORM OF BOND COUNSEL OPINION.

UNDERWRITING

Following a negotiated sale, the Bonds are being purchased by Oppenheimer & Co., Inc. (the “Underwriter”) at a price of \$_____.00 (equal to the principal amount of the Bonds of \$_____, plus an original issue premium of \$_____, less an Underwriter’s discount of \$_____). The reoffering yield and/or prices of the Bonds are shown on the cover. After a bona fide initial public offering at the price stated on the cover page hereof, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the initial public offering price. The offering price may be changed from time to time by the Underwriter.

FINANCIAL STATEMENTS

The City’s financial statements for the Fiscal Year ended June 30, 2022, included in APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022, have been audited by the City’s Auditor, as stated in its reports appearing in such appendix. The City’s Auditor has not undertaken to update its reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the City’s Auditor with respect to any event subsequent to its report.

OTHER INFORMATION

All summaries and explanations of the Indenture, the Lease Agreement and the other documents referred to herein are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture.

Any statements in this Official Statement involving matters of opinion are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of the Bonds.

Copies of the Indenture and the Lease Agreement are available for inspection from the Trustee.

MISCELLANEOUS

Insofar far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the City.

The Appendices are an integral part of this Official Statement and must be read together with all other parts of this Official Statement. The audited financial statements of the City, including a summary of significant accounting policies, for the Fiscal Year ended June 30, 2022, are contained in Appendix B.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY

By _____
Executive Director

CITY OF BRISBANE

By _____
City Manager

APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The following information concerning the City of Brisbane and San Mateo County is included only for the purpose of supplying general information regarding the City and the County. The Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of their political subdivisions, except for the City, are liable therefor.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

City of Brisbane. The City was incorporated on November 27, 1961, as a general law city under the laws of the State of California (the “State”). The City is located in in San Mateo County (the “County”) and is bordered by the cities of San Francisco, Daly City, and South San Francisco. The San Bruno Mountain range surrounds the City to west and the San Francisco Bay is the easterly border of the City. The City’s borders encompass approximately 20.1 square miles (3.1 sq. mi. land and 17 sq. mi. or 85% water). The main arterial road serving Brisbane is Bayshore Boulevard. The boulevard continues north to San Francisco and south to South San Francisco and San Francisco International Airport. U.S. Route 101 also goes past the city on the eastern side adjacent to San Francisco Bay. The City is part of the general San Francisco/Silicon Valley area with a largely commuter workforce.

San Mateo County. The County is one of nine counties bordering San Francisco Bay. It covers most of the San Francisco Peninsula. The County is the third-smallest county in the State by land area. San Francisco International Airport is located at the northern end of the county, and Silicon Valley begins at the southern end. The County’s built-up areas are mostly suburban with some areas being very urban and are home to several corporate campuses for companies. The County hosts the headquarters of Visa Inc, Sony Interactive Entertainment, Electronic Arts, YouTube, Genentech, and Gilead Sciences, as well as a hub of venture capital firms in Menlo Park and several other technology-related companies.

Population

The table below summarizes population of the City, the County, and the State for the last five years.

CITY OF BRISBANE, SAN MATEO COUNTY, and CALIFORNIA Population

Year	City of Brisbane	San Mateo County	State of California
2018	4,654	770,927	39,519,535
2019	4,642	771,160	39,605,361
2020	4,621	771,061	39,648,938
2021	4,789	751,596	39,303,157
2022 ⁽¹⁾	4,721	744,662	39,185,605

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-22, with 2010 Census Benchmark.

(1) Latest available data.

Employment

The following table summarizes historical employment and unemployment for the County, the State and the United States:

SAN MATEO COUNTY, CALIFORNIA, and UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2018	San Mateo County	454,900	444,900	10,000	2.2
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	San Mateo County	460,000	450,600	9,400	2.0
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	San Mateo County	433,900	404,100	29,700	6.9
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021	San Mateo County	431,200	411,500	19,700	4.6
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3
2022 ⁽²⁾	San Mateo County	431,200	411,500	19,700	4.6
	California	19,252,000	18,440,900	811,100	4.2
	United States	164,287,000	158,291,000	5,996,000	3.6

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-22, and US Department of Labor.

- (1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.
- (2) Latest available full-year data.

Major Employers in the City and the County

The following table lists the top 10 employers within the City for the 2021 calendar year.

CITY OF BRISBANE Top 10 Employers For the 2021 Calendar Year ⁽¹⁾

Employer	Employees	% of Total
Cutera Inc.	298	11.04%
LeeMAH Electronics Inc.	230	8.52
Bi-Rite Foodservice Distributors	225	8.33
Expeditors Intl Inc	199	7.37
The Realreal Inc	188	6.96
Ultragenyx Pharmaceutical Inc	163	6.04
Cal Pacific Systems	160	5.93
Transdev Services Inc	159	5.89
Amazon Fresh	158	5.85
Greenleaf	122	4.52
Total Top 10	1,902	70.44%

Source: City of Brisbane 2021-22 Annual Comprehensive Financial Report.

(1) Latest available full-year data.

The following table lists the top 10 employers within the County for the 2021 calendar year.

SAN MATEO COUNTY Top 10 Employers For the 2021 Calendar Year ⁽¹⁾

Employer	Employees	% of Total
Meta (Facebook Inc.)	15,407	3.51%
Genentech Inc.	12,000	2.73
Oracle Corp.	9,149	2.08
United Airlines	7,894	1.80
San Mateo County	5,705	1.30
Gilead Sciences Inc.	4,190	.95
YouTube	2,384	.54
Sony Interactive Entertainment	1,855	.42
Alaska Airlines	1,591	.36
Electronic Arts Inc.	1,478	.34
Total Top 10	61,653	14.03%

Source: San Mateo County Fiscal Year 2021-22 ACFR.

(2) Latest available full-year data.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF BRISBANE Building Permits and Valuation (Dollars in Thousands)

	2017	2018	2019	2020 ⁽¹⁾	2021 ⁽²⁾
Permit Valuation:					
New Single-family	\$ 1,200	\$ 4,750	\$ 4,645	n/a	\$ 2,133
New Multi-family	925	-	-		-
Res. Alterations/Additions	1,697	2,269	1,020		1,607
Total Residential	3,822	7,019	5,665		3,740
Total Nonresidential	20,572	148,520	9,345		1,520
Total All Building	24,394	155,540	15,011		5,260
New Dwelling Units:					
Single Family	2	8	5		3
Multiple Family	3	-	-		-
Total	5	8	5		3

SAN MATEO COUNTY Building Permits and Valuation (Dollars in Thousands)

	2017	2018	2019	2020	2021 ⁽²⁾
Permit Valuation:					
New Single-family	\$ 338,186	\$ 330,908	\$ 486,257	\$ 273,328	\$ 371,580
New Multi-family	210,996	195,226	322,896	154,590	223,839
Res. Alterations/Additions	503,351	424,804	365,784	310,315	282,684
Total Residential	1,052,534	950,939	1,174,938	738,234	878,103
Total Nonresidential	2,390,996	2,555,752	1,419,871	1,379,975	990,221
Total All Building	3,443,530	3,506,691	2,594,809	2,118,209	1,868,325
New Dwelling Units:					
Single Family	441	443	497	548	657
Multiple Family	1,169	1,046	1,049	439	638
Total	1,610	1,489	1,546	987	1,295

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Columns may not sum to totals due to independent rounding.

(1) 2020 data for Brisbane is not available.

(2) Latest available full year data.

Household Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds),

proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State and the nation for the past five years.

**CITY OF BRISBANE, SAN MATEO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income**

	2018	2019	2020	2021	2022
City of Brisbane	\$ 83,429	\$ 91,375	\$ 97,414	\$ 111,077	\$ 117,969
San Mateo County	93,319	96,614	102,641	120,425	123,273
California	62,637	65,870	67,956	77,058	77,175
United States	52,841	55,303	56,790	64,448	65,326

Source: Nielsen, Inc.

APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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APPENDIX C

CITY INVESTMENT POLICY

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LEGAL DOCUMENTS

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APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Brisbane/Guadalupe Valley Municipal
Improvement District Financing Authority
50 Park Place
Brisbane, California 94005

OPINION: \$ _____ * Brisbane/Guadalupe Valley Municipal Improvement District Financing
Authority Lease Revenue Bonds, Series 2023

Members of the Authority:

We have acted as bond counsel to the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the “Authority”) in connection with the delivery by the Authority of \$ _____ * aggregate principal amount of the bonds of the Authority designated the “Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023” (the “Bonds”), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Law”), and pursuant to an indenture of trust, dated as of June 1, 2023 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, and a resolution of the Authority adopted on May 18, 2022. The Bonds are secured by a pledge of Revenues (as defined in the Indenture), primarily consisting of lease payments made by the City of Brisbane, California (the “City”) under a lease agreement, dated as of June 1, 2023 (the “Lease Agreement”), by and between the Authority and the City.

In connection with this opinion, we have examined the Law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture and Lease Agreement and in the certified proceedings for the Bonds, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a duly constituted joint exercise of powers entity under the laws of the State of California with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.
2. The Bonds constitute legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.
3. The Indenture has been duly approved by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

* Preliminary, subject to change.

4. The Lease Agreement has been duly approved by the City and the Authority and constitutes a legal, valid and binding obligation of the City and the Authority enforceable against the City and the Authority in accordance with its terms.

5. The Indenture establishes a valid first and exclusive lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

6. Subject to the Authority's and the City's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). For tax years beginning after December 31, 2023, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such Authority and City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

7. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture and the Lease Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF BRISBANE, CALIFORNIA (the “City”) in connection with the issuance by the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the “Authority”) of its \$_____ * Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023 (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of June 1, 2023 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Pursuant to Section 5.11 of that certain Lease Agreement, dated as of June 1, 2023, by and between the Authority and the City, the City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the City’s fiscal year (currently March 31 based on the City’s fiscal year end of June 30).

“*Dissemination Agent*” shall mean, initially, NBS or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on October 1 in any year and extending to the next succeeding September 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a certificate of the City filed with the Trustee.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means collectively, Oppenheimer & Co., Inc., the original Underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2024, with the report for fiscal year 2022-23 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, of the type provided in Tables _____ and _____ in the official statement for the Bonds in the section therein entitled "CITY FINANCIAL INFORMATION."

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's

Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or
- (xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the

Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018) or any further guidance or release provided by the SEC.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds.

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating

data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article IX of the Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

City:	City of Brisbane 50 Park Place Brisbane, CA 94005 Attention: Finance Director
Dissemination Agent:	NBS 62605 Temecula Parkway, Suite 100 Temecula, CA 92592 Attention: _____
Participating Underwriter:	Oppenheimer & Co., Inc. 580 California Street, Suite 2300 San Francisco, CA 94104 Attention: _____

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: [Closing Date]

NBS, as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Brisbane

Name of Issue: Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority Lease Revenue Bonds, Series 2023

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

NBS, as Dissemination Agent

By _____
Authorized Officer

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APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, redemption premium, if any, and interest with respect to the Bonds to The Depository Trust Company (“DTC”), New York, NY, its Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, its Participants and the Beneficial Owners is based solely on the understanding of the Authority of such procedures and record keeping from information provided by DTC. Accordingly, no representations can be made concerning these matters and neither DTC, its Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or its Participants, as the case may be. The City, the Authority, the Trustee and the Underwriter understand that the current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and that the current “Procedures” of DTC to be followed in dealing with Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC is rated AA+ by Standard & Poor’s. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized

representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC, if less than all of the Bonds within a maturity are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the City or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of, premium, if any, and interest on the Bonds by Cede & Co (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City, the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC, and neither the Authority nor the Trustee takes any responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF BONDS FOR REDEMPTION.

Neither the Authority nor the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered Owner, or any redemption or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

In the event that the book-entry system is discontinued as described above, the requirements of the Indenture will apply.

The City, the Authority and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the Authority nor the Trustee are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

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**Brisbane/GVMID Financing Authority
Lease Revenue Bonds, Series 2023**

Annual Debt Service

Fiscal			
Year	Principal	Interest	Total
2023			
2024	100,000	220,517	320,517
2025	100,000	257,000	357,000
2026	180,000	252,000	432,000
2027	190,000	243,000	433,000
2028	200,000	233,500	433,500
2029	205,000	223,500	428,500
2030	220,000	213,250	433,250
2031	230,000	202,250	432,250
2032	240,000	190,750	430,750
2033	250,000	178,750	428,750
2034	265,000	166,250	431,250
2035	280,000	153,000	433,000
2036	290,000	139,000	429,000
2037	305,000	124,500	429,500
2038	320,000	109,250	429,250
2039	340,000	93,250	433,250
2040	355,000	76,250	431,250
2041	370,000	58,500	428,500
2042	390,000	40,000	430,000
2043	410,000	20,500	430,500
	5,240,000	3,195,017	8,435,017

File Attachments for Item:

M. Consider Approval of Construction Contract for Brisbane Administrative Offices

(Assuming that Agenda Item L has been adopted, it is being recommended to award the Brisbane Administrative Offices construction contract (Project No. 922A) to Argo Construction, Inc. in the amount of \$3,174,000 and authorize the mayor to sign the Agreement on behalf of the City.)



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: Randy Breault, Director of Public Works/City Engineer

Subject: Construction Contract for Brisbane Administrative Offices

Community Goal/Result: Fiscally Prudent

Purpose

To complete a tenant improvement (TI) project on a building leased by the city. This TI on the building at 25 Park Place will accommodate a relocation of city administrative staff that will free up space in existing City Hall for anticipated staff and consultant workspaces needed in the near future to process multiple major development applications.

Recommendation

Award the Brisbane Administrative Offices construction contract (Project No. 922A) to Argo Construction, Inc. in the amount of \$3,174,000 and authorize the mayor to sign the Agreement on behalf of the City.

Environmental Review

This project is exempt from CEQA review; State CEQA Statute & Guidelines, Section 15301/Class 1 (alteration of existing facilities). Accordingly, no further environmental review is necessary.

Background: The city received seven bids on May 4, 2023:

Argo Construction	\$3,174,000.00
D.L. Falk Construction	\$3,574,000.00
Angotti & Reilly	\$3,584,111.00
Svala Construction	\$3,673,525.00
ENGINEER'S ESTIMATE	\$3,825,000.00
CWS Construction Group	\$4,095,000.00
Rodan Builders	\$4,099,000.00
Zone 4 Construction	\$4,148,460.00 ¹

The apparent low bidder's proposal is responsive, and the bidder is responsible.

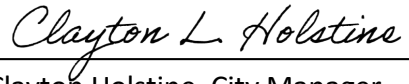
Fiscal Impact

Funds for this project are anticipated to be received from a bond issuance, which is a staff report preceding this item on this agenda.

¹ Proposal price as corrected by staff



Randy Breault, Director of Public Works/City Engineer



Clayton Holstine, City Manager

File Attachments for Item:

N. Consider Approval of Construction Management Services for 25 Park Remodel

(Assuming that Agenda Items L and M have been adopted/approved, it is being recommended that the Mayor be authorized to sign a Task Order in the amount of \$314,104.40 to JMW Consulting Engineers, and to also sign a Professional Services Agreement if deemed necessary by the City Attorney.)



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023
From: Director of Public Works/City Engineer
Subject: Construction Management Services for 25 Park Remodel

Community Goal/Result

Fiscally Prudent

Purpose

To obtain construction management (CM) services to oversee the construction contract for the remodel of Brisbane Administrative Offices (Project No. 922A). Hiring a construction management professional on a project-by-project basis is the most cost-effective method of ensuring infrequent, high-dollar projects are completed to the city's standards.

Recommendation

Authorize the Mayor to sign a Task Order in the amount of \$314,104.40 to JMW Consulting Engineers, and to also sign any revised Professional Services Agreement deemed necessary by the City Attorney.

Discussion

James Wilcenski is the Principal of JMW Consulting Engineers. Mr. Wilcenski first provided CM services to the city as part of a team overseeing the construction of Tunnel Avenue Bridge in the early 2000s. Subsequently, he served as CM for the City Hall Remodel and the construction of the New Brisbane Library.

Based on the long and satisfactory relationship between JMW and the city, staff has determined that it is appropriate to sole source this request for the provision of professional services.

Fiscal Impact

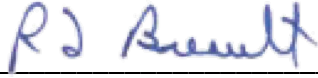
Funds for this project are anticipated to be received from a bond issuance, which is a staff report preceding this item on this agenda.

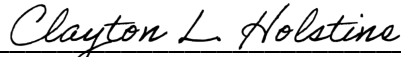
Measure of Success

A remodel completed per the approved plans and specifications and within the general contractor's bid amount.

Attachments

1. JMW Consulting Engineers 4/2/23 Cost Proposal



Randy Breault, Public Works Director

Clay Holstine, City Manager

April 2, 2023

COST PROPOSAL

CM SERVICES FOR BRISBANE ADMINISTRATIVE OFFICES

	2023 (6 Months)			2024 (6 Months)		
ANTICIPATED WORK	Project Startup: Submittals, Site Demo, Utilities, Framing			Building and Site Improvements; HVAC, Electrical/Low Voltage, Project Closeout		
Team Member	Est. Hrs.	Rate	Cost	Est. Hrs.	Rate	Cost
Construction Manager	672	\$190.00	\$127,680.00	744	\$197.60	\$147,014.40
Office Assistant		\$55.00			\$55.00	
Yearly Subtotals			\$131,040.00			\$147,014.40

Labor from Above	\$278,054.40
Materials Testing (est. billed at current rates)	\$30,000.00
Other Direct Costs	\$5,000.00
3% Markup on Materials Testing and Directs	\$1,050.00
TOTAL	\$314,104.40

Notes:

1. The above estimate is based on a 12-month construction duration and 1-month closeout, as provided by the project design team and owner, at 24 hrs per week.
2. The above rates include salary, overhead, cell phone, and vehicle for each employee. These rates can be broken out if requested.
3. A 4% per year increase in rates is included to account for labor inflation.
4. City to provide office space, including utilities and office incidentals for CM staff of project files.
5. Other Direct Costs include reimbursable project costs including office supplies, copies and reproduction, postage and shipping.
6. This proposal is valid for 90 days from the date of submission.

OPTIONAL PROPOSAL

City may elect to utilize experienced city staff to assist in Construction Management, at the agreement of both parties, to minimize some of the above proposed labor costs.

File Attachments for Item:

O. Consider Approval of Request for Proposals for Executive Recruitment Services



CITY COUNCIL AGENDA REPORT

Meeting Date: June 1, 2023

From: Abby Partin, Human Resources Administrator

Subject: Approve Resolution Authorizing the Issuance of a Request for Proposals for the City Manager Recruitment

Community Goal/Result

Safe Community - Residents and visitors will experience a sense of safety

Community Building - Brisbane will honor the rich diversity of our city (residents, organizations, businesses) through community engagement and participation

Ecological Sustainability - Brisbane will be a leader in setting policies and practicing service delivery innovations that promote ecological sustainability

Fiscally Prudent - Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community

Economic Development - Brisbane will work with the businesses and residents to provide for economic vitality/diversity

Purpose

To assist the City Council in recruiting, interviewing and selecting a qualified individual to serve as the next City Manager.

Recommendation

Authorize the issuance of the Request for Proposals (RFP) for professional executive recruiting firm services associated with the recruitment of the next City Manager.

Background

With the current City Manager expecting to retire at the end of 2023, City Council directed staff to solicit qualified and experienced executive recruitment firms to serve as the consultant to assist the Council in the hiring process for a new City Manager.

Discussion

To assist the City Council and staff in their efforts to recruit the next City Manager, staff has developed a Request for Proposals for the City Council's review and approval. Retaining a professional executive recruiting firm would be advantageous to the City Council as this will broaden the scope of the City Manager search and typically provide access to highly qualified

Approve Resolution Authorizing the Issuance of a Request for Proposals for the City Manager Recruitment

candidates. In addition, a professional executive recruitment firm would be able to focus on the City Council's current and future needs and provide support throughout every aspect of the recruitment and hiring process. Should the Council decide to move forward with issuing a RFP, the estimated timeline for various activities related to the procurement and selection process for such firm are as follows:

June 1, 2023	City Council Approve the Proposed RFP Draft
June 2, 2023	Send approved RFP to Executive Recruitment Firms
June 21, 2023	Proposal submission period closes
June 27, 2023	Proposal review and evaluation with Sub-Committee to determine recommendations to all members of City Council
June 29, 2023	City Council approval of Executive Recruitment Firms to interview
July 6, 2023	Executive Recruitment Firm Interviews

Fiscal Impact

The estimated recruitment costs to retain the services of an executive recruiting firm could range from \$25,000-\$35,000, which will be incorporated in the ensuing budget year.

Measure of Success

To retain the most qualified City Manager for the City of Brisbane.

Attachments

Resolution 2023-XX



Abby Partin, Human Resources Administrator

Clayton L. Holstine
Clay Holstine, City Manager

RESOLUTION NO 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR
THE RECRUITMENT OF THE CITY MANAGER**

WHEREAS, the City Council of the City of Brisbane recognizes the need to fill the position of the City Manager; and

WHEREAS, the City Council of the City of Brisbane wish to contract with a professional executive recruitment firm to assist with the recruitment of the City Manager.

NOW, THEREFORE, the City Council of the City of Brisbane resolves as follows:

The Request for Proposals draft for the Recruitment of the City Manager in Exhibit "A" is approved for issuance to professional executive recruitment firms.

Madison Davis, Mayor

I hereby certify that the foregoing Resolution No. 2023-XX was duly and regularly adopted at a regular meeting of the Brisbane City Council on June 1, 2023, by the following vote:

Ayes:

Noes:

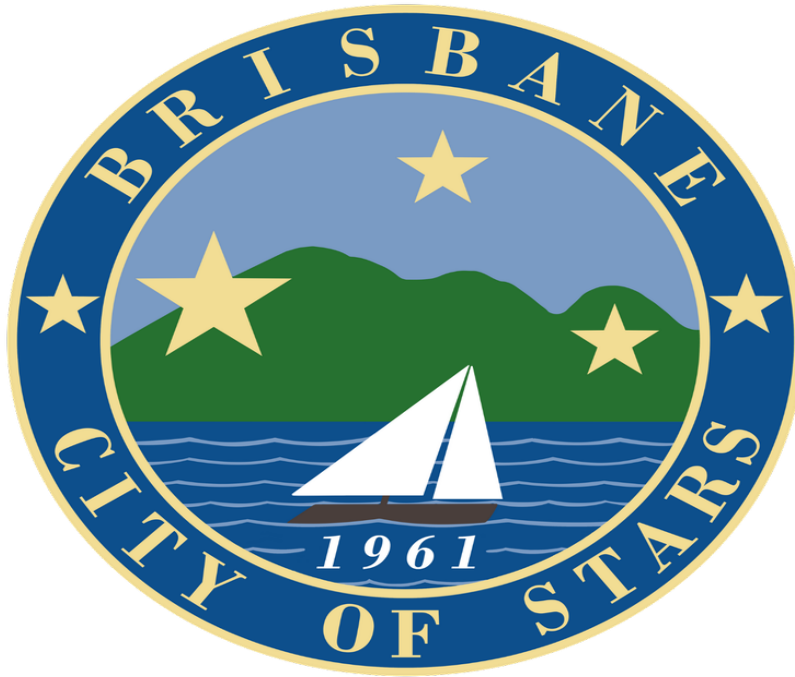
Absent:

Abstain:

Ingrid Padilla, City Clerk

CITY OF BRISBANE

Request for Proposals for City Manager Recruitment Services



City of Brisbane
50 Park Place
Brisbane, California 94005

Attn: Abby Partin, Human Resources Administrator
apartin@brisbaneca.org

Release Date: June 2, 2023

Proposals Due: June 21, 2023

City Manager Recruitment Services

RELEASE DATE: June 2, 2023

CLOSING DATE/TIME: June 21, 2023

All Proposals must be received by the closing date and time.

CONTACT PERSON: Abby Partin, Human Resources Administrator
apartin@brisbaneca.org

Brisbane City Hall
50 Park Place
Brisbane, California 94005
(415) 508-2100

I. INTRODUCTION

The City of Brisbane is seeking proposals for services from a qualified executive search firm to assist the City Council in the selection of a new City Manager.

II. BACKGROUND

Nestled on the slopes of San Bruno Mountain, Brisbane (pop. 4,851) is a small city located immediately south of San Francisco on the Peninsula. It enjoys a sunny climate, fine views of the Bay, and a diverse, small-town atmosphere with easy access to all the amenities of the surrounding metropolitan areas.

Brisbane residents place a high value on the unique charm and natural beauty of the city's mountain setting and on its close-knit community spirit. Almost entirely enveloped by San Bruno Mountain State and County Park, Brisbane is bordered on the east by the San Francisco Bay, and encompasses approximately 20.1 square miles (3 square miles of land and 17 square mile or 85% water). Due to the resulting lack of a standard lot size, Brisbane enjoys an individualistic housing style.

Brisbane is also home to industrial areas and modern office parks that, prior to the Covid pandemic, increased its daytime service population to approximately 12,000. The City is facing the challenge of dealing with future growth in a positive way that will enhance and preserve its small-town character while ensuring continued economic viability.

In 2018, Brisbane voters approved a General Plan Amendment that will allow a doubling of the size of the city through a large development on the Brisbane Baylands. This area is a historical railyard and garbage waste dump. This project will be complicated and necessitate extensive public engagement, which will require an exceptionally collaborative and astute leader, who has the ability to establish a relationship and trust with the City Council, staff, and residents.

As part of the San Francisco Bay Area, Brisbane also enjoys easy access to numerous world-renowned amenities. The Bay Area is known for its cuisine, cultural and performing arts, sports, and outdoor recreation opportunities. It is home to well-educated residents and offers some of the finest educational institutions in the country, including Stanford University, UC Berkeley, San Francisco State University, and the University of San Francisco, as well as numerous local community colleges. Well above 50 percent of area residents have graduated from college and beyond, and a full 16 percent hold graduate degrees, topping the ranking of major cities in the United States. With a total population of 7.1 million people and an annual economy of about \$535 billion, the San Francisco Bay Area, if it were an independent country, would rank as the world's 19th largest economy.

CITY GOVERNMENT

The City of Brisbane is a General-Law City operating under a Council-Manager form of government. The City Council consists of five members elected at large to staggered, four-year terms, and the mayor is appointed by the Council each year. The Council serves as the City's legislative branch and makes final decisions on all major city matters, adopts necessary ordinances and resolutions, approves the budget and acts as a board of appeals, and appoints the City Manager, the City Attorney, and the members of the City's commissions.

The City Manager serves as Chief Administrator for the City and is responsible for providing policy recommendations to the City Council as well as acting as the Council's representative in order to meet with citizens, employees, or businesses to present the City's position or to implement its policies.

Brisbane's Government is organized into the following departments: Administration, including the City Manager, City Attorney, City Clerk, Finance, Human Resources; Community Development (Building & Planning); Fire; Marina; Parks & Recreation; Police; and Public Works. City Manager is responsible for all city departments other than City Attorney.

III. SCOPE OF WORK

The successful consulting firm will be expected, at minimum, to perform the following:

- Meet with the City Council and/or stakeholder groups as necessary to facilitate the development of an appropriate candidate profile and list of priorities for the new City Manager.
- Validate desirable candidate characteristics through discussions with the City Council.
- Develop and execute an inclusive plan for the City Manager recruitment (print, web, social media, targeted calls, etc.)
- Identify specific strategies to encourage highly qualified applicants from diverse backgrounds to apply.
- Acknowledge receipt of candidates' application materials and maintain communication with all candidates throughout the recruitment process.
- Answer questions from candidates and collect application materials.
- Review the applications received, comparing them to the desired candidate profile.
- Advise the City Council on the qualifications of the candidates, develop a list of recommended candidates for interviews, provide a written report summarizing the overall candidate pool and the qualifications of those selected to be interviewed.
- Perform initial screening interviews with the most qualified candidates.
- Advise the City Council on interview strategies, appropriate questions, and evaluation tools.
- Attend the interview sessions for semi-finalist candidates.
- Assist the City Council in selection of finalists.
- Conduct complete background and reference checks on finalist candidates, including public records searches and credit checks.
- Prepare and present a confidential reference report on each finalist candidate.
- Facilitate the final interview process and be available to assist the City Council as it makes a selection.
- Provide progress reports at least bi-weekly to the City Council. Periodic on-site meetings may be required to discuss ongoing progress.
- Assist the City with employment contract negotiations.
- Maintain all correspondence and record-keeping throughout the process.
- Compile search documentation and prepare a final written summary of all work performed and outreach taken related to developing, conducting, and completing the search.

IV. PROPOSAL REQUIREMENTS

Each proposal shall include the following information:

- A. A detailed timeline for the completion of all the services described in the Scope of Work.

- B. Background information on the firm, including details of the firm's experience with similar recruitments, including the number of City Manager searches and placements; a brief resume of the individual(s) assigned to this project; contact information for three (3) references; and sample work products including recruiting brochures, candidate questionnaires, candidate reference reports, etc. The proposal should include information about the firm's current engagements and an affirmation of the firm's ability to focus on this project.
- C. A proposed schedule for each phase of the process, including development of the recruitment profile, search, background evaluations, interviews, and selection. Note that the Brisbane City Council meets on the first and third Thursdays of the month. The Council will be taking a summer break but special meetings may be called, if needed.
- D. Information about the firm's approach in the event of a recruitment that does not produce a viable candidate or the premature dismissal or resignation of the selected candidate.
- E. A "not to exceed" fee for all the professional services and tasks described in the Scope of Work as well as a specific "not to exceed" amount for expenses related to the professional services.
- F. A list of any additional activities and/or techniques that might be helpful to incorporate into the recruitment and selection process and the specific cost for adding such services.
- G. The hourly rate at which the City would be billed for any services that the City might request outside the scope of the items in the RFP.

V. SELECTION PROCESS

The City Council will select the firms or individuals to be interviewed and may consider, at minimum, the following criteria:

- Prior successful recruitments, especially for the position of City Manager
- Responsiveness to this Request for Proposal
- Qualifications and experience of the individuals assigned to the project
- Experience with candidates from within and outside California
- Schedule and availability
- Cost of services
- Reference contact results

VI. PROPOSAL SUBMISSION INFORMATION

Seven hard copies of the proposal must be submitted no later than 5:00 p.m. on June 21, 2023.

Abby Partin, Human Resources Administrator

Brisbane City Hall
50 Park Place
Brisbane, California 94005

Or send a pdf file by email to: apartin@brisbaneca.org

The City reserves the right to reject any and all proposals submitted, to request clarification of services submitted, to request additional information, and to waive any irregularity in the proposal. Finalist candidates may be asked to present their qualifications to the City Council. Following proposal evaluations, interviews and reference calls, the award of a contract to the successful consultant will be at the sole discretion of the City Council.

File Attachments for Item:

Q. Countywide Assignments and Subcommittee Reports

- Public Art Advisory Committee 6/26 4:30pm Cunningham, Davis



CITY of BRISBANE

Subcommittee Update

From May 13th, 2023 to May 26th, 2023

Transportation Demand Management (TDM) Policy Subcommittee 5/24 Cunningham, Lentz

Staff reviewed the Draft Transportation Demand Management (TDM) Ordinance with the subcommittee. In 2021, the subcommittee discussed the implications of C/CAG's new TDM policy, potential TDM strategies at Sierra Point, and whether a Brisbane-specific TDM ordinance would more effectively result in trip reduction and mode shift than simply relying on a countywide C/CAG policy. Subsequently, in February 2022 the subcommittee directed staff to move forward with transportation consultant Fehr & Peers to create a TDM strategy for Brisbane to be more responsive to our unique challenges and opportunities.

The draft ordinance would replace and supersede Brisbane Municipal Code Chapter 10.52 in its entirety, and it would also capture more projects that would otherwise not be subject to C/CAG's countywide TDM policy. All projects subject to the requirements of the draft Ordinance would be required to incorporate trip reduction measures, based on a tiered system: Tier 1 includes uses with the least impact on TDM such as residential and certain nonresidential uses; Tier 2 uses would be in the middle with regards to traffic impacts which captures most commercial uses found within Crocker Park, such as warehousing, and all office/R&D uses (citywide) between 10,000 and 50,000sqft; and Tier 3 uses have the greatest impacts in the City and includes all office/R&D uses larger than 50,000 square feet - the primary generators of peak period commute trips and vehicle miles traveled in the City.

The subcommittee made some recommendations and asked for some additional feedback from Fehr & Peers. This will come before the Council in the Fall with amended recommendations.

Upcoming Subcommittees:

Public Art Advisory Committee

6/26 4:30pm

Cunningham, Davis