

City of Brisbane

Agenda Report

To: Mayor and City Council

From: Stuart Schillinger, Administrative Services Director

Subject: Approval of documents for the sale of bonds for the 2015 Marina Bond Sale

Date: May 7, 2015

Purpose:

Ensure that the City provides a high quality boating experience for marina users.

Recommendation:

Adopt Resolution 2015-16 Resolution approving the form and authorizing the execution of certain installment sale financing documents in connection with the financing of certain improvements to the City's Municipal Marina and authorizing and directing certain actions with respect thereto.

Adopt Resolution B/GVMIDFA 2015-03 Resolution approving the form and authorizing the execution of certain installment sale financing documents in connection with the financing of certain improvements to the City's Municipal Marina and authorizing and directing certain actions with respect thereto.

Background:

The last dredging project the City did was completed in 2002. In order to keep the waterways open it is anticipated that dredging should occur every 12 or so years.

During the budget deliberations for the 2014/15 budget the City Council directed staff to perform a survey to determine what was needed to keep the marina usable. On February 5, 2015 the City Council approved a financing plan for the project which included the sale of bonds to pay of the project. On March 5th, City Council approved a rate increase over the next three years which will pay for the annual payments on the bond. At the April 16, 2015 Council meeting, City Council approved a contract with The Dutra Group for \$3,653,000 to dredge the Brisbane Marina and entrance channel. In addition to this cost there is the cost of the contract manager approved on March 5th (\$384,800) and the cost of the dredging permit fees of \$114,800. The amount needed for the project is \$4,150,000. The total amount of the bonds sold will be approximately \$4,220,000 which includes issuance costs. City staff received bids from two proposers: CoBiz Public Financing and Holman Capital. They were both responsive and competitive.

Discussion:

The winning bidder for the bonds was CoBiz Public Financing. The estimated interest rate for the 12 year bond is 3.02% a year. The debt service will be approximately \$485,000 a year at its highest level beginning in FY 2019/20.

Measure of Success

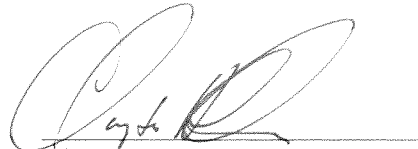
A marina which can be used during all tidal levels.

Attachments

1. Assignment Agreement:
2. Installment Sale Agreement:
3. Letter Agreement for Purchase and Rate Lock



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

CITY OF BRISBANE

RESOLUTION NO. 2015-16

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS IN CONNECTION WITH THE FINANCING OF CERTAIN IMPROVEMENTS TO THE CITY'S MUNICIPAL MARINA AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Brisbane (the "City"), as follows:

WHEREAS, the City has determined at this time to finance improvements (the "Project") relating to improvements to the City's municipal marina (the "Enterprise");

WHEREAS, it is in the public interest and for the public benefit that the City authorize and direct execution of the Installment Sale Agreement (hereinafter defined) and certain other documents in connection therewith;

WHEREAS, the City's obligation to make installment payments under the Installment Sale Agreement will be payable from the net revenues of the Enterprise; and

WHEREAS, the documents below specified have been filed with the City and the members of the Council, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The Council hereby approves the financing of the Project.

Section 2. The below-enumerated documents be and are hereby approved, and the Mayor, the City Manager or the Administrative Services Director, or the designee of any such official, is each hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, the execution thereof to be conclusive evidence of such approval, and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) an installment sale agreement, by and between the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority"), as seller, and the City, as purchaser (the "Installment Sale Agreement"), pursuant to which the Authority will sell the Project to the City, so long as the final payment date of the Installment Sale Agreement is not later than May 1, 2027, the principal amount of the Installment Sale Agreement is not greater than \$4,250,000 and the maximum annual installment payments to be made by the City under the Installment Sale Agreement is not greater than \$500,000; and

(b) a letter agreement for purchase between CoBiz Public Finance, Inc. (the "Purchaser") and the City, whereby the Purchaser agrees to acquire the rights of the Authority to the installment payments to be made by the City under the Installment Sale Agreement.

Section 3. The Mayor, the City Manager, the Administrative Services Director, the City Clerk, and all other appropriate officials of the City, are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the financing herein authorized.

Section 4. This Resolution shall take effect upon its adoption by this Council.

Terry O'Connell, Mayor

I, the undersigned City Clerk of the City of Brisbane, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of the City at a meeting thereof on the 7th day of May, 2015, by the following vote of the members thereof:

AYES, and in favor thereof:

NOES:

ABSENT:

Sheri Marie Spediacci, City Clerk

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

RESOLUTION NO. BGV MIDFA 2015-03

**RESOLUTION APPROVING THE FORM AND AUTHORIZING THE
EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS
IN CONNECTION WITH THE FINANCING OF CERTAIN IMPROVEMENTS
TO THE CITY OF BRISBANE'S MUNICIPAL MARINA AND AUTHORIZING
AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

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

WHEREAS, the City of Brisbane (the "City") has determined at this time to finance improvements (the "Project") to the City's municipal marina (the "Enterprise");

WHEREAS, it is in the public interest and for the public benefit that the Authority authorize and direct execution of the Installment Sale Agreement (hereinafter defined) and certain other documents in connection therewith; and

WHEREAS, the City's obligation to make installment payments under the Installment Sale Agreement will be payable from the net revenues of the Enterprise; and

WHEREAS, the documents below specified have been filed with the Authority and the members of the Council, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. The below-enumerated documents, substantially in the forms on file with the Secretary, be and are hereby approved, and the Chair, the Executive Director or the Treasurer, or the designee of any such official, is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, the execution thereof to be conclusive evidence of such approval, and the Secretary is hereby authorized and directed to attest to such official's signature:

(a) an installment sale agreement, by and between the Authority, as seller, and the City, as purchaser (the "Installment Sale Agreement"), pursuant to which the Authority will sell the Project to the City; and

(b) an assignment agreement, by and between the Authority and CoBiz Public Finance, Inc. (the "Assignee"), pursuant to which the Authority will assign certain of its rights under the Installment Sale Agreement to the Assignee, including its right to receive Installment Payments thereunder, to the Assignee.

Section 2. The Chair, the Executive Director, the Treasurer, the Secretary and other officials of the Authority are hereby authorized and directed to execute such other agreements, documents and certificates and to take such other actions as may be necessary to effect the purposes of this resolution and the lease financing herein authorized.

Section 3. This Resolution shall take effect upon its adoption by the Board.

Terry O'Connell, Chairwoman

I, the undersigned Secretary of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Authority at a meeting thereof on the 7th day of May, 2015, by the following vote of the members thereof:

AYES, and in favor thereof: Board Members

NOES: Board Members

ABSENT: Board Members

Sheri Marie Spediacci, Secretary

ASSIGNMENT AGREEMENT

For Value Received, the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY (the "Authority") without recourse does hereby sell, assign and transfer to CoBiz Public Finance, Inc. (the "Assignee"), and its successors and assigns, (i) all of its rights, title and interest in and to the Installment Sale Agreement, dated as of May 1, 2015, by and between the Authority, as seller, and the City of Brisbane (the "City"), as purchaser (said Installment Sale Agreement and any supplements, amendments, annexations, extensions or renewals thereof is referred to hereinafter as the "Installment Sale Agreement"), and (ii) all moneys, sums and amounts now due or hereinafter to become due under the Installment Sale Agreement. The Installment Sale Agreement delivered to the Assignee is a duly executed duplicate original that comprises the entire writing, obligation and agreement between the Authority and the City respecting the obligations made thereunder and the Installment Payments made therefor.

The Authority represents and warrants as follows:

- (1) it has made no prior sale or assignment of any interest covered hereby;
- (2) that the Installment Sale Agreement is genuine and in all respects is what it purports to be; and
- (3) that Assignee is not liable for and does not assume responsibility for the performance of any of the covenants, agreements, duties or obligations specified in the Installment Sale Agreement to be kept, paid or performed by the Authority, with exception of such covenants, agreements, duties and obligations (if any) which are expressly made the responsibility of Assignee under the Installment Sale Agreement.

The Authority further represents and warrants that as of the date of this Assignment Agreement and the Installment Sale Agreement are in full force and effect and the Authority is not in default of any of the terms set forth therein.

By its acceptance of this Assignment Agreement, the Assignee represents and warrants (i) the price it has paid in consideration for assignment of the Installment Sale Agreement is \$_____; (ii) that it reasonably expects to hold the Installment Sale Agreement for its own account and does not presently expect to sell, assign, or otherwise transfer the Installment Sale Agreement, subject to the Assignee's right to dispose of or otherwise deal with its property (including the Installment Sale Agreement) as it determines to be in its best interests from time to time; and (iii) that it will treat the Installment Sale Agreement as an investment for federal income tax purposes.

This Assignment Agreement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in the State of California. Any provision of this Assignment Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Assignment Agreement.

This Assignment Agreement binds and inures to the benefit of the parties and their respective successors and assigns. In the event of litigation between the Authority and the Assignee arising under this Assignment Agreement, the prevailing party shall be entitled to recover from the other party all costs and expenses, including attorneys' fees which may be those of in-house counsel, incurred by the prevailing party in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions of this Assignment Agreement.

This Assignment 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.

Dated as of May 1, 2015

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY, as Assignor

By _____
Clayton L. Holstine
Executive Director

Attest:

Sheri Marie Spedacci
Secretary

APPROVED AS TO FORM

By Brian Quint
Bond Counsel

APPROVED AS TO FORM

By [Signature]
Deputy City Attorney

ACCEPTANCE OF ASSIGNMENT:

COBIZ PUBLIC FINANCE, INC., as Assignee

By _____
Name _____
Title _____

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the furnishing of all materials, labor, tools, equipment, supervision and quality control procedures necessary to dredge, transport and dispose of approximately 140,000 cubic yards of sediments from the Brisbane Marina to the identified disposal site.

INSTALLMENT SALE AGREEMENT

Dated as of May 1, 2015

by and between

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

and the

CITY OF BRISBANE, as Purchaser

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EXHIBIT A	DESCRIPTION OF THE PROJECT
EXHIBIT B	SCHEDULE OF INSTALLMENT PAYMENTS

INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, dated as of May 1, 2015, is by and between the BRISBANE/GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the CITY OF BRISBANE, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the "City"),

WITNESSETH:

WHEREAS, the City has determined at this time to finance improvements (the "Project") to the City's municipal marina (the "Enterprise");

WHEREAS, the Authority proposes to sell the Project to the City pursuant to this Installment Sale Agreement and to assign all of its rights, title and interest in, to and under this Installment Sale Agreement, including its right to receive lease payments under this Installment Sale Agreement (the "Installment Payments"), its right to enforce payment of the Installment Payments and otherwise to enforce its interest and rights under this Installment Sale Agreement in the event of a default hereunder by the City, to CoBiz Public Finance, Inc. (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of May 1, 2015, by and between the Authority and the Assignee;

WHEREAS, the City and the Authority have agreed to enter into this Installment Sale Agreement providing for Installment Payments with an aggregate principal component in the amount of \$_____ for the purpose of implementing the financing transaction described above; and

WHEREAS, the Authority and the City have duly authorized the execution and delivery of this Installment Sale Agreement;

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

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Installment Sale Agreement.

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 *et seq.*; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 *et seq.*; the Federal Water Pollution Control Act, 33 USC Sections 1251 *et seq.*; the Clean Air Act, 42 USC Sections 7401 *et seq.*; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 *et seq.*; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 *et seq.*; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 *et seq.*; the Air Resources Act, California Health & Safety Code Sections 3900 *et seq.*; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 *et seq.*; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Additional Payments” means the payments so designated and required to be paid by the City pursuant to Sections 4.4 of this Installment Sale Agreement.

“Assignee” means (a) initially, CoBiz Public Finance, Inc., as assignee of all rights, title and interests of the Authority hereunder, and (b) any other entity to whom the rights of the Authority hereunder are assigned, including subsequent assignees of the Assignee.

“Assignment Agreement” means the Assignment Agreement, dated as of May 1, 2015, between the Authority, as assignor of its rights under this Installment Sale Agreement, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Authority” means Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State.

“Authority Representative” means the Chair, the Executive Director, the Treasurer, or the designee of any such official, or any other person authorized by resolution to act on behalf of the Authority under or with respect to the Installment Sale Agreement and the Assignment Agreement.

"Bond Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

"City" means the City of Brisbane, a municipal corporation and general law city organized and existing under the laws of the State.

"City Representative" means the Mayor, the City Manager or the Deputy City Manager, Administrative Services, or the designee of any such official, or any other person authorized by resolution to act on behalf of the City under or with respect to the Installment Sale Agreement.

"Closing Date" means the date of execution and delivery of this Installment Sale Agreement by the parties hereto, being May 28, 2015.

"Event of Default" means any of the events of default as defined in Section 8.1.

"Federal Securities" means any direct general non-callable 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), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Installment Sale Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period.

"Gross Revenues" means all gross income and revenue received by the City from the ownership and operation of the Enterprise, including, without limiting the generality of the foregoing, (a) all income, rents, rates, fees, charges or other moneys derived from the services, facilities and commodities sold, furnished or supplied through the facilities of the Enterprise, (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to the Enterprise, and (c) the proceeds derived by the City directly or indirectly from the sale, lease or other disposition of a part of the Enterprise as permitted herein provided, however, that the term *"Gross Revenues"* shall not include customers' deposits or any other deposits subject to refund until such deposits have become the property of the City.

"Hazardous Substance" means any substance that shall, at any time, be listed as *"hazardous"* or *"toxic"* in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Facilities, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 *et seq.*).

"Independent Accountant" means any certified public accountant or firm of certified public accountants appointed and paid by the City, and who, or each of whom (a) is in fact independent and not under domination of the City; (b) does not have any substantial interest, direct or indirect, in the City; and (c) is not connected with the City as an officer or employee of the City but who may be regularly retained to make annual or other audits of the books of or reports to the City.

"Installment Sale Agreement" means this Installment Sale Agreement dated as of May 1, 2015, between the Authority and the City.

"Installment Payment Date" means May 1 and November 1 in each year, commencing November 1, 2015, and continuing to and including the date on which the Installment Payments are paid in full.

"Installment Payments" means all payments required to be paid by the City under Section 4.4, including any prepayment thereof under Sections 9.2 or 9.3.

"Marina Fund" means, collectively, the City's existing Marina Fund, established and held by the City with respect to the Enterprise.

"Net Proceeds" means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Net Revenues" means Gross Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all expenses and costs of management, operation, maintenance and repair of the Enterprise but excluding debt service or other similar payments on Parity Obligations or other obligations and depreciation and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature and any expense classified as discretionary by the City to the operation of the Enterprise.

"Parity Obligations" means any leases, loan agreements, installment sale agreements, bonds, notes or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Installment Payments, entered into or issued pursuant to and in accordance with Section 4.8 of this Installment Sale Agreement.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under Article VI of this Installment Sale Agreement; (b) this Installment Sale Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Property for its intended purposes.

"Enterprise" means any and all properties and assets, real and personal, tangible and intangible, of the City, now or hereafter existing, used or pertaining to the City's municipal marina and all additions, extensions, expansions, improvements and betterments thereto and equipments thereof.

"State" means the State of California.

"Taxable Date" means the date when a final determination is made by the Internal Revenue Service that the interest component of the Installment Payments is not excludible from the gross income of the Assignee for federal income tax purposes caused by the actions or omissions of the City.

"Tax 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, under the Tax Code.

"Term of this Installment Sale Agreement" or *"Term"* means the time during which this Installment Sale Agreement is in effect, as provided in Section 4.2.

"Project" means the project more particularly described in Exhibit A to this Installment Sale Agreement.

"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 by its Authority Representative or the City by its City 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 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to *"Articles," "Sections"* and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Installment Sale Agreement; the words *"herein," "hereof," "hereby," "hereunder"* and other words of similar import refer to this Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS AND REPRESENTATIONS

Section 2.1. Covenants, Representations 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 Installment Sale Agreement:

(a) *Due Organization and Existence.* The City is a municipal corporation and general law city, duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Installment Sale Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the City has duly authorized the execution and delivery by the City of this Installment Sale Agreement.

(b) *Due Execution.* The representative of the City executing this Installment Sale Agreement has been fully authorized to execute the same by a resolution duly adopted by the City Council of the City.

(c) *Valid, Binding and Enforceable Obligation.* This Installment Sale Agreement has been duly authorized, executed and delivered by the City and constitute the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and 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, 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 prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial condition, assets, properties or operations of the City.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement, or the consummation of any transaction therein and herein contemplated, 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 and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or upon the financial condition, assets, properties or operations of the City, and the City is not in default 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 might have consequences that would

materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement, or the financial condition, assets, properties or operations of the City.

(g) *Sufficient Funds.* The City reasonably believes that sufficient funds can be obtained to make all Installment Payments and all other amounts required to be paid pursuant to this Installment Sale Agreement.

(h) *No Defaults.* The City has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Installment Sale Agreement, or under any of its bonds, notes, or other debt obligations.

(j) *Use of the Project.* During the term of this Installment Sale Agreement, the Project will be used by the City only for the purpose of performing one or more governmental or proprietary functions of the City consistent with the permissible scope of the City's authority.

(k) *Change in Financial Condition.* The City has experienced no material change in its financial condition since June 30, 2014.

(l) *Hazardous Substances.* Except to the extent disclosed to the Assignee, the Project is free of all Hazardous Substances, and the City is in full compliance with all Applicable Environmental Laws.

(m) *Marina Fund.* The City has heretofore established the Marina Fund into which the City deposits and will continue to deposit all Gross Revenues, and which the City will maintain throughout the Term of this Installment Sale Agreement.

(h) *No Outstanding Obligations.* There are no outstanding bonds, notes, loans, leases, installment sale agreements or other obligations which have any security interest in or claim upon the Net Revenues, which security interest or claim is superior to or on a parity with the Installment Payments.

Section 2.2. Covenants and Representations of the Authority. The Authority makes the following covenants and representations to the City that as of the Closing Date:

(a) *Due Organization and Existence.* The Authority is a joint powers authority, duly organized and existing under the laws of the State, has full legal right, power and authority to enter into this Installment Sale Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Authority has duly authorized the execution and delivery by the Authority of this Installment Sale Agreement and the Assignment Agreement.

(b) *Due Execution.* The representative of the Authority executing this Installment Sale Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Authority.

(c) *Valid, Binding and Enforceable Obligations.* This Installment Sale Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement and the Assignment Agreement, the consummation of the transactions herein contemplated and the

fulfillment of or compliance with the terms and conditions hereof, do not and 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, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, 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 Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default 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 might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Authority.

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. On the Closing Date, the Assignee shall (a) cause the amount of \$_____ to be transferred to the City for payment of costs of the Project, and (b) shall cause the total amount of \$_____ to be paid to various payees in connection with the costs of the transaction.

ARTICLE IV

SALE OF IMPROVEMENTS; INSTALLMENT PAYMENT

Section 4.1. Sale. The Authority hereby agrees to sell the Project to the City, and the City hereby agrees to purchase the Project from the Authority, upon the terms and conditions set forth in this Installment Sale Agreement.

Section 4.2. Term. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the City shall have paid all of the Installment Payments and all other amounts due and payable hereunder. The provisions of this Section 4.2 are subject in all respects to any other provisions of this Installment Sale Agreement relating to the termination hereof with respect to the Project or any portion thereof.

Section 4.3. Title. On the Closing Date, title to the Project shall be deemed conveyed to and vested in the City.

Section 4.4. Installment Payments.

(a) *Obligation to Pay*. The City agrees to pay to the Authority, its successors and assigns, but solely from the Net Revenues and other funds pledged hereunder, as the purchase price of the Project the aggregate principal amount of _____ dollars (\$ _____) together with interest on the unpaid principal balance, payable in Installment Payments coming due and payable in the respective amounts and on each Installment Payment Date specified in Exhibit B. The interest components of the Installment Payments have been calculated based on an interest rate of _____% per annum, on the basis of a 360-day year of twelve 30-day months. The City understands that the Assignee will send an invoice to the City in advance of each Installment Payment Date. Beginning on the Taxable Date, the interest component of the Installment Payments shall be based on an interest rate of _____% per annum, on the basis of a 360-day year of twelve 30-day months.

(b) *Additional Payments*. In addition to the Installment Payments set forth herein, the City agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Project or upon any interest of the Authority therein or in this Installment Sale Agreement; provided, however, the City may, at the City's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Authority shall notify the City that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Authority in the Project will be materially endangered or the Project, or any portion thereof, will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes and assessments or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any other reasonable fees, costs or expenses incurred by the Authority in connection with the execution, performance or enforcement of this Installment Sale

Agreement or any of the transactions contemplated hereby or related to the Project, including, without limitation, any amounts which may become due; provided, however, the City shall not be responsible for any costs incurred by the Authority associated with any assignment made by the Assignee; and

(iv) any amounts required to be paid as rebate to the United States pursuant to the Tax Certificate.

Amounts constituting Additional Payments payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Authority to the City stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment.* In the event that the City prepays all remaining Installment Payments in full pursuant to Article IX, the City's obligations under this Installment Sale Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Installment Payments therefor under this Section 4.4; *provided, however,* that the City's obligations to indemnify the Assignee pursuant to Section 6.3 shall survive such prepayment. In the event that the City prepays the Installment Payments in part but not in whole pursuant to Section 9.2 or Section 9.3, the principal and interest components of each succeeding Installment Payment shall be reduced as provided in such Sections.

(d) *Rate on Overdue Payments.* In the event the City should fail to make any of the payments required in this Section 4.4 and Section 4.10, 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 rate of ten percent (10%) per annum.

(e) *Assignment Agreement.* The City understands and agrees that all Installment Payments have been assigned by the Authority to the Assignee under the Assignment Agreement recorded concurrently herewith, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Assignee (or to its assignees as directed pursuant to Section 7.4 hereof) all payments payable by the City under this Section 4.3 and all amounts payable by the City under Article IX. Installment Payments shall be paid to the Assignee as follows:

By wire:

By mail:

Section 4.5. Pledge and Application of Net Revenues.

(a) *Pledge of Net Revenues.* All of the Net Revenues and amounts on deposit in the Marina Fund are hereby irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments and all Parity Obligations and except as otherwise provided herein the Net Revenues and such other funds shall not be used for any other purpose so long as any of the Installment Payments or Parity Obligations remain unpaid. Such pledge, charge and

assignment shall constitute a first lien on the Net Revenues and such other moneys for the payment of the Installment Payments and the Parity Obligations in accordance with the terms hereof.

(b) *Deposits Into Marina Fund; Transfers to Make Installment Payments.* All of the Gross Revenues shall be deposited by the City immediately upon receipt in the Marina Fund. The City covenants and agrees that all Net Revenues will be held by the City in the Marina Fund in trust for the benefit of the Assignee (as assignee of the rights of the Authority hereunder) and for the benefit of the owners of any Parity Obligations. On or before each Installment Payment Date, the City shall withdraw from the Marina Fund and transfer to the Assignee, an amount which is equal to the aggregate amount of the Installment Payment coming due and payable on such Installment Payment Date.

In addition, the City shall withdraw from the Marina Fund such amounts at such times as shall be required to: (i) pay all Operation and Maintenance Costs as they come due and payable; (ii) pay the principal of and interest on any Parity Obligations and otherwise comply with the provisions of the instruments authorizing the issuance of any Parity Obligations; and (iii) pay all other amounts when and as due and payable hereunder.

(c) *Release from Lien.* Following the transfer described in paragraph (b) of this Section 4.5 with respect to the September 1 Installment Payment Date, Net Revenues in excess of amounts required for the payment of Installment Payments and any Parity Debt in that Fiscal Year shall be released from the lien of this Installment Sale Agreement and shall be available for any lawful purpose of the City.

(d) *Limitation on Use of Net Revenues for Capital Improvements.* The City hereby agrees that Net Revenues shall not be applied for the payment of capital improvements relating to the Enterprise until such Net Revenues have been released from the lien of this Installment Sale Agreement as described in paragraph (c) of this Section 4.5.

Section 4.6. Special Obligation of the City; Obligations Absolute. The City's obligation to pay the Installment Payments, all Parity Obligations, the Additional Payments and any other amounts coming due and payable hereunder shall be a special obligation of the City limited solely to the Net Revenues and amounts on deposit in the Marina Fund. Under no circumstances shall the City be required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, all Parity Obligations and the Additional Payments, nor shall any other funds or property of the City be liable for the payment of the Installment Payments and the Additional Payments and any other amounts coming due and payable hereunder.

The obligations of the City to make the Installment Payments and the Additional Payments from the Net Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City or the Authority of any obligation to the City or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority. Until such time as all of the Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder shall have been fully paid or prepaid, the City (a) will not suspend or discontinue payment of any Installment Payments, Additional Payments or such other amounts, (b) will perform and observe all other agreements contained in this Installment Sale Agreement, and (c) will not terminate the Term of this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, sale of the Enterprise, the

taking by eminent domain of title to or temporary use of any component of the Enterprise, commercial frustration of purpose, any change in the tax or law other laws of the United States of America or the State or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement.

Nothing contained in this Section 4.6 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein and in the event the Authority shall fail to perform any such agreements, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the preceding paragraph. The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Authority hereby agrees to cooperate fully with the City and to take such action necessary to effect the substitution of the City for the Authority in such action or proceeding if the City shall so request.

Section 4.7. Rate Covenant.

(a) The City hereby covenants that it shall prescribe, revise and collect such charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues sufficient in each Fiscal Year to provide Net Revenues which, together with existing unencumbered cash and cash-equivalents in the Marina Fund with respect to such Fiscal Year, are at least equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Debt.

(b) If, in any Fiscal Year, charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues insufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Debt, the City covenants and agrees to notify the Assignee of such fact and to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Enterprise or the methods of operation of the Enterprise that will result in producing Net Revenues equal to at least 1.25 times (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Debt.

(c) The City covenants and agrees that it shall, promptly upon its receipt of such recommendations from such consultant, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the City Council that such recommendations, in whole or in part, are in the best interests of the City, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. In the event that the City fails to comply with such recommendations, subject to the applicable requirements or restrictions imposed by law and to the determination of the City Council of the City that such recommendations are in the best interests of the City, the Authority, or its assignee, may, in addition to the rights and remedies elsewhere set forth in this Installment Sale Agreement, and shall, upon the written request of the Assignee, and being indemnified to its satisfaction therefor, institute and prosecute an action or proceeding in a court of competent jurisdiction to compel the City to comply with the recommendations and requirements of this paragraph (c). If the City complies in all material respects with the reasonable recommendations of the consultant in respect to said rates, fees, charges and methods of operation or collection, the City will be deemed to have

complied with the covenants described above notwithstanding that Net Revenues shall be less than the amount required under this Installment Sale Agreement for such Fiscal Year; provided, however, that such rates, fees, charges and methods of operation or collection shall produce Net Revenues equal to at least 100% of (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to Parity Debt; provided further, that this sentence shall not be construed as in any way excusing the City from taking any action or performing any duty required under this Installment Sale Agreement or be construed as constituting a waiver of any other Event of Default.

Section 4.8. Limitations on Future Obligations Secured by Net Revenues.

(a) *No Obligations Superior to Installment Payments.* In order to protect further the availability of the Net Revenues and the security for the Installment Payments and any Parity Debt, the City hereby agrees that the City shall not, so long as any Installment Payments are unpaid, issue or incur any obligations payable from Gross Revenues or Net Revenues superior to the Installment Payments or such Parity Debt.

(b) *Parity Debt.* The City further covenants that, except for obligations issued or incurred to prepay the Installment Payments in full pursuant to Section 10.2 hereof, the City shall not issue or incur any Parity Debt unless:

(i) The City is not in default under the terms of this Installment Sale Agreement;

(ii) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Parity Debt is issued or incurred, as shown by the books of the City, plus, at the option of the City, the additional allowance described below, shall have amounted to at least 1.50 times the sum of the maximum Installment Payments coming due and payable in any future Fiscal Year and the maximum annual debt service on all Parity Debt outstanding immediately subsequent to the incurring of such additional obligations.

Either or both of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii):

(A) An allowance for revenues from any additions to or improvements or extensions of the Enterprise to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions, improvements or extensions which have been from moneys from any source but which, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 70% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period following closing of the proposed Parity Debt, all as shown by the certificate or opinion of a qualified independent consultant employed by the City, may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii).

(B) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to

the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(iii) A reserve fund may, but shall not be required to be, funded for such Parity Debt.

(iv) Interest with respect to such Parity Debt shall be paid on the Installment Payment Dates.

(v) Principal with respect to such Parity Debt shall be paid on May 1.

(c) *Subordinate Debt.* The City further covenants that the City shall not issue or incur any Subordinate Debt unless:

(i) Net Revenues, calculated on sound accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent twelve (12) month period selected by the City ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Subordinate Debt is issued or incurred, as shown by the books of the City shall, after deducting all amounts required for the payment of Installment Payments and any Parity Debt, have amounted to at least 1.00 times the sum of the maximum annual debt service on all Subordinate Debt outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(ii) Interest with respect to such Subordinate Debt shall be paid on the Installment Payment Dates.

(iii) Principal with respect to such Subordinate Debt shall be paid on March 1 or September 1.

(d) *Calculating Debt Service on Variable Rate Debt.* For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published *Bond Buyer "Revenue Bond Index"* (or comparable index if no longer published) plus 50 basis points, or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Installment Sale Agreement, all improvement, repair and maintenance of the Enterprise 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 Enterprise, which may include, without limitation, janitor service, security, power, gas, telephone, 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 Enterprise resulting from ordinary wear and tear.

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 any Enterprise or the respective interests or estates therein; *provided, however*, 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 this Installment Sale 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 its opinion, by nonpayment of any such items, the interest of the Authority hereunder will be materially adversely affected, 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. Operation of Enterprise. The City covenants and agrees to operate the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in good repair and working order. The City covenants that, in order to fully preserve and protect the priority and security of the Installment Payments, the City shall pay from the Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the Gross Revenues or the Net Revenues prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the City to pay the Installment Payments in accordance herewith.

Section 5.3. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained, throughout the Term of this Installment Sale Agreement, but only if and to the extent available at reasonable cost from reputable insurers, a standard comprehensive general insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents and employees. 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 Enterprise. Said policy or policies shall provide coverage in such liability limits and shall be subject to such deductibles as shall be customary with respect to works and property of a like character. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.5, 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 toward extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 5.4. Casualty Insurance. The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Installment Sale Agreement, but only in the event and to the extent available from reputable insurers at reasonable cost, casualty insurance against loss or damage to any improvements constituting any part of the Enterprise, covering such hazards as are customarily covered with respect to works and property of like character. Such insurance may be subject to deductible clauses which are customary for works and property of a like character. Such insurance may be maintained as part of or in conjunction with any other casualty insurance carried by the City and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.5, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair, rebuild or replace such damaged or destroyed portion of the Enterprise, and to the extent not so applied, shall be paid to the Assignee to be applied to prepay the Installment Payments or any Parity Obligations in accordance with written instructions of the City filed with the Assignee.

Section 5.5. Insurance Net Proceeds; Form of Policies. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Installment Sale Agreement. The Assignee shall not be responsible for the sufficiency of any 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. In the event that any insurance required pursuant to Sections 5.3 or 5.4 shall be provided in the form of self-insurance, the City shall file with the Assignee annually, within ninety (90) days following the close of each Fiscal Year, a statement of an independent actuarial consultant 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 Net Revenues or from such reserves.

Section 5.6. Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, at the election of the City (evidenced by a Written Certificate of the City filed with the Assignee and the Authority) shall either (a) be used for the acquisition or construction of improvements and extension of the Enterprise, or (b) be paid to the Assignee to be applied to prepay the Installment Payments or any Parity Obligations in accordance with written instructions of the City filed with the Assignee.

Section 5.7. Records and Accounts. The City shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon prior request, be subject to the reasonable inspection by the Assignee. The City shall cause the books and accounts of the Enterprise to be audited annually by an Independent Accountant, not more than one hundred eighty (180) days after the close of each Fiscal Year, and shall make a copy of such report available for inspection by the Assignee at the office of the City.

Section 5.8. Private Activity Bond Limitation. The City shall assure that proceeds of the Installment Sale Agreement are not so used as to cause the Installment Sale Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(b) of the Code.

Section 5.9. Private Loan Financing Limitation. The City shall assure that proceeds of the Installment Sale Agreement are not so used as to cause the Installment Sale Agreement to satisfy the private loan financing test of section 141(c) of the Code.

Section 5.10. 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 the Installment Sale Agreement to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.11. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Installment Sale Agreement from the gross income of the Assignee 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 5.12. Small Issuer Exemption from Bank Nondeductibility Restriction. The City hereby designates the Installment Sale Agreement for purposes of paragraph (3) of section 265(b) of the Code and covenants that the Installment Sale Agreement does not constitute a private activity bond as defined in section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the City (including all subordinate entities of the City and all entities which may issue obligations on behalf of the City) during the calendar year 2015 will not exceed \$10,000,000, excluding, however, private activity bonds, as defined in section 141 of the Code (other than qualified 501(c)(3) bonds as defined in section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation.

ARTICLE VI

'DISCLAIMER OF WARRANTIES; ACCESS'

Section 6.1. Disclaimer of Warranties. The Authority and the Assignee make 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 Project, or any other representation or warranty with respect to the Project. In no event shall the Authority or the Assignee be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Installment Sale Agreement for the existence, furnishing, functioning or City's use of the Project.

Section 6.2. Access to the Enterprise. The City agrees that the Authority and the Assignee, and any duly authorized representative thereof, shall have the right at all reasonable times to enter upon and to examine and inspect the Enterprise. The City further agrees that the Authority and the Assignee, and any duly authorized representative thereof, shall have such rights of access to the Enterprise as may be reasonably necessary to cause the proper maintenance of the Enterprise in the event of failure by the City to perform its obligations hereunder.

Section 6.3. Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save the Authority and the Assignee and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Enterprise by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Installment Sale Agreement, (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise, (d) any act or negligence of any sublessee of the City with respect to the Enterprise, or (e) the presence on, under or about, or release from, the Enterprise of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law. No indemnification is made under this Section 6.3 or elsewhere in this Installment Sale Agreement for adjudicated willful misconduct or negligence by the Authority or the Assignee, or their respective officers, employees, successors or assigns. The rights of the Assignee and the obligations of the City under this Section 6.3 shall survive the termination of this Installment Sale Agreement.

Section 6.4. Non-Liability of Authority for Enterprise Obligations. The Authority and its successor and assigns shall have no obligation and shall incur no liabilities or debts whatsoever for the obligations, liabilities and debts of the City incurred in connection with the Enterprise.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.1. Assignment by the Authority. The Authority's rights under this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the City under this Installment Sale Agreement have been pledged and assigned to the Assignee pursuant to the Assignment Agreement, to which pledge and assignment the City hereby consents.

Section 7.2. Assignment by the City. This Installment Sale Agreement may not be assigned by the City.

Section 7.3. Sale of Enterprise. Except as provided herein, the City covenants that the Enterprise shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole. Neither the Net Revenues nor any other funds pledged or otherwise made available to secure payment of the Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Installment Sale Agreement. The City shall not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the Installment Payments, or which otherwise would impair the rights of the Assignee and the owners of any Parity Obligations with respect to the Net Revenues. If any substantial part of the Enterprise shall be sold, the payment therefor shall either (a) be used for the acquisition or construction of improvements, extensions or replacements of Project constituting part of the Enterprise, or (b) to the extent not so used, be paid to the Assignee to be applied to prepay the Installment Payments or any Parity Obligations, in accordance with written instructions of the City filed with the Assignee.

Section 7.4. Amendment of Installment Sale Agreement. The City and the Authority shall have the right to modify or amend this Installment Sale Agreement without the consent of any of the Assignee or any of the owners of Parity Obligations, but only if such amendment or modification does not cause the interest component of the Installment Payments to be includable in gross income for federal income tax purposes in the opinion of Bond Counsel, and only if such amendment or modification does not materially adversely affect the interests of the Assignee or the owners of any Parity Obligations in the opinion of Bond Counsel, and only if such amendment or modification is for any one or more of the following purposes:

- (a) to provide for the issuance of Parity Obligations pursuant to Section 4.8(b);
- (b) to add to the covenants and agreements of the City contained in this Installment Sale 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;
- (c) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable; or
- (d) to amend any provision thereof for the purpose of complying with the applicable requirements of the Tax Code.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following events shall be Events of Default hereunder:

(a) Failure by the City to pay any Installment Payment when and as the same become due and payable hereunder.

(b) Failure by the City to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of ten (10) days.

(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 Assignee; *provided, however*, that if the City shall notify the Authority and the Assignee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an event of default hereunder if the City shall commence to cure such failure within such sixty (60) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time.

(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 the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence and continuation of any event of default under and as defined in the instruments authorizing the issuance of any Parity Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 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 Installment Sale Agreement; *provided, however*, that notwithstanding anything to the contrary herein, there shall be no right under any circumstances to accelerate the Installment Payments or otherwise declare any Installment Payments not then in default to be immediately due and payable or to terminate this Installment Sale Agreement..

Section 8.3. 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 be in addition to every other remedy given under this Installment Sale 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 VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Installment Sale Agreement should default under any of the provisions hereof and the nondefaulting party, the Assignee 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 nondefaulting party, the Assignee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale 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 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VIII have been assigned by the Authority to the Assignee, to which assignment the City hereby consents.

Section 8.7. Rights of the Owners of Parity Obligations. Notwithstanding anything in this Article VIII to the contrary, it is hereby acknowledged and agreed that the rights of the Assignee hereunder in and to the Net Revenues and the Enterprise shall be exercised on a parity and proportionate basis with the rights of the owners of any Parity Obligations and any fiduciary acting for the benefit of such owners. The provisions of this Article VIII, and the provisions of any instruments authorizing the issuance of any Parity Obligations, shall be construed in accordance with the foregoing sentence.

ARTICLE IX

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the City may on any date secure the payment of Installment Payments in whole or in part by irrevocably depositing with the Assignee or any other fiduciary an amount of cash which is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A, or (b) invested in whole or in part in Federal Securities in such amount as will, in the written 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 all such Installment Payments when due pursuant to Section 4.4(a) or when due on any optional prepayment date pursuant to Section 9.2, as the City shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Installment Payments, all obligations of the City under this Installment Sale Agreement, and all security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all of such Installment Payments from such security deposit, and the obligation of the City to indemnify the Assignee pursuant to Section 6.3. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Installment Sale Agreement.

Section 9.2. Optional Prepayment. The City may exercise its option to prepay the principal components of the Installment Payments in whole, or in part on any date, upon 30 days' notice to the Assignee, by paying a prepayment price equal to the aggregate principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date without a premium.

Section 9.3. Mandatory Prepayment From Proceeds of Insurance or Eminent Domain. The City shall be obligated to prepay the Installment Payments in whole, or in part among Installment Payment Dates on a *pro rata* basis in any integral multiple of \$5,000, on any date from and to the extent of any proceeds of insurance award or condemnation award with respect to the Enterprise theretofore paid to the Assignee for such purpose pursuant to Sections 5.4 or 5.6. The City and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, shall be deposited in the Redemption Fund and credited towards the City's obligations under this Section 9.3.

ARTICLE X

MISCELLANEOUS

Section 10.1. Further Assurances. The City agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Assignee to carry out the intention or to facilitate the performance of this Installment Sale Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 10.2. Notices. Any notice, request, complaint, demand or other communication under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Assignee 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.

If to the Authority: Brisbane/Guadalupe Valley Municipal
Improvement District Financing Authority
c/o City of Brisbane
50 Park Place
Brisbane, CA 94005
Attention: Administrative Services Director
Phone: (415) 508-2100
Fax: (415) 467-4989

If to the City: City of Brisbane
50 Park Place
Brisbane, CA 94005
Attention: Administrative Services Director
Phone: (415) 508-2100
Fax: (415) 467-4989

If to the Assignee: CoBiz Public Finance, Inc.

Attention: _____
Phone: (____) ____-____
Fax: (____) ____-____

Section 10.5. Third Party Beneficiary. The Assignee shall be and is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 10.6. Governing Law. This Installment Sale Agreement shall be construed in accordance with and governed by the laws of the State.

Section 10.7. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Authority and the City, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 10.8. Severability of Invalid Provisions. If any one or more of the provisions contained in this Installment Sale Agreement 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 Installment Sale Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Installment Sale Agreement, and this Installment Sale Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the City each hereby declares that it would have entered into this Installment Sale Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Installment Sale Agreement may be held illegal, invalid or unenforceable.

Section 10.9. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Installment Sale Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Installment Sale Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 10.10. Execution of Counterparts. This Installment Sale Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 10.11. Waiver of Personal Liability. No member of the City Council, officer, agent or employee of the City shall be individually or personally liable for the payment of Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Installment Sale Agreement; but nothing herein contained shall relieve any such member of the City Council, officer, agent or employee from the performance of any official duty provided by law or by this Installment Sale Agreement.

IN WITNESS WHEREOF, the Authority and the City have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

BRISBANE/GUADALUPE VALLEY
MUNICIPAL IMPROVEMENT DISTRICT
FINANCING AUTHORITY, as Seller

By _____
Clayton L. Holstine
Executive Director

Attest:

Sheri Marie Spedacci
Secretary

CITY OF BRISBANE, as Purchaser

By _____
Clayton L. Holstine
City Manager

Attest:

Sheri Marie Spedacci
City Clerk

APPROVED AS TO FORM

By  _____
Bond Counsel

APPROVED AS TO FORM

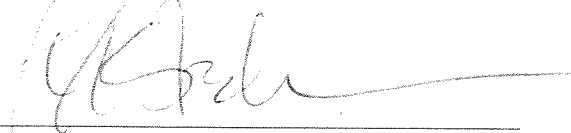
By  _____
Deputy City Attorney

EXHIBIT A
SCHEDULE OF INSTALLMENT PAYMENTS

<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component (1)</u>	<u>Total Installment Payment</u>
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Totals

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(1) Applicable interest rate is ____% per annum.

EXHIBIT B

DESCRIPTION OF PROJECT

The Project consists of the furnishing of all materials, labor, tools, equipment, supervision and quality control procedures necessary to dredge, transport and dispose of approximately 140,000 cubic yards of sediments from the Brisbane Marina to the identified disposal site.

LETTER AGREEMENT FOR PURCHASE AND RATE LOCK

May 8, 2015

City of Brisbane
50 Park Place
Brisbane, California 94005
Attention: Administrative Services Director

Re: \$_____ Installment Sale Agreement, dated as of May 1, 2015, by and between the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority and the City of Brisbane, assigned to CoBiz Public Finance, Inc.

Ladies and Gentlemen:

The undersigned, CoBiz Public Finance, Inc. (the "Purchaser"), offers, upon the following terms, to acquire the rights, title and interest of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority") under the Installment Sale Agreement (hereinafter defined), including its rights to the Installment Payments to be made by the City of Brisbane (the "City") under the Installment Sale Agreement dated as of May 1, 2015 (the "Installment Sale Agreement"), by and between the City and the Authority, by entering into an Assignment Agreement, dated as of May 1, 2015 (the "Assignment Agreement"), with the Authority. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Installment Sale Agreement.

1. *Purchase and Purchase Price; Terms of City's Obligations; Rate Lock.* The City agrees to execute and deliver the Installment Sale Agreement, and the Purchaser agrees to purchase the City's obligations under the Installment Sale Agreement at a purchase price of \$_____. The Installment Payments under the Installment Sale Agreement and the interest rate applicable thereto shall be ____% per annum.

The City acknowledges that:

(a) The Purchaser is acting in this transaction solely for its own loan account and not as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(b) The Purchaser has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the City (including to any financial advisor or placement agent engaged by the City) with respect to the structuring of the financing or the execution and delivery of the Installment Sale Agreement;

(c) The Purchaser has no fiduciary duty pursuant to section 15B of the Securities Exchange Act of 1934, as amended, to the City with respect to the transactions relating to the structuring of the financing or the execution and delivery of the Installment Sale Agreement and the discussions, undertakings, and procedures leading thereto;

(d) Each of the City and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction from its financial, legal, and other advisors (and not the Purchaser or its affiliates) to the extent that the City or its placement agent desires to, should, or needs to obtain such advice;

(e) The Purchaser has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to the City's placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the City's financial advisor or placement agent, with respect to any such matters; and

(f) the transactions between the City and the Purchaser is an arm's length, commercial transaction in which the Purchaser is acting and have acted solely as a principal and for its own interest, and the Purchaser has not made recommendations to the City with respect to the transactions relating to the Installment Sale Agreement.

2. *Use of Funds.* The purchase price paid by the Purchaser shall be used by the City to (i) finance improvements to the City's municipal marina (the "Project"), and (iv) pay the costs related to the preparation, execution and delivery of the Installment Sale Agreement and the Assignment Agreement.

3. *Disposition of Proceeds.*

(a) On the Closing Date, the Purchaser shall transfer, via wire transfer, to the City, the amount of \$_____ to be deposited by the City in a segregated account and applied to the payment of costs of the Project.

(b) On the Closing Date, the Purchaser shall transfer, via wire transfer (wire information to be provided to the following recipients, for payment of the costs of the financing transaction, as follows:

(i) to Quint & Thimmig LLP, as bond counsel, \$_____ (invoice with wire information to be provided prior to the Closing Date);

(ii) to JNA Consulting Group, LLC, as placement agent, \$_____ (invoice with wire information to be provided prior to the Closing Date);

(iii) to _____, as a counsel to the Purchaser, \$_____ (invoice with wire information to be provided prior to the Closing Date); and

(iv) to the City, \$_____, to be applied to the payment of the fee of the California Debt and Investment Advisory Commission, to the City's costs of the transaction or applied to make the first Installment Payment. Wire instructions to be provided prior to the Closing Date.

4. *Closing.* At 8:00 a.m. Pacific Daylight time, on May 28, 2015, or at such other time or on such earlier or later date as the Purchaser and the City mutually agree upon (the "Closing Date"), the City will deliver (or cause to be delivered) the Installment Sale Agreement executed by the City and the Authority, and the Assignment Agreement executed by the Authority and the Purchaser, and the Purchaser will pay the purchase price for the City's obligations as set forth in Section 1 hereof in federal or other immediately available funds.

5. *Representations and Warranties of the City.* The City represents and warrants to the Purchaser that:

(a) The City is a municipal corporation and general law city organized and existing under the Constitution and the laws of the State of California (the "State"), and has all necessary power and authority to enter into and perform its duties under this Agreement and the Installment Sale Agreement (collectively, the "City Documents").

(b) To the best knowledge of the City, neither the execution and delivery of the City Documents, or the execution of this Agreement, and compliance with the provisions on the City's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in the security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized by the City, and, assuming due authorization, execution and delivery by the other parties thereto, will constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against cities in the State of California.

(d) There is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the City Documents or the consummation by the City of the other transactions contemplated by the City Documents.

(e) To the best knowledge of the City, there is, and on the Closing Date (as hereinafter defined) there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the payments to be made pursuant to the Installment Sale Agreement, or in any way contesting or affecting the validity of the City Documents or the authority of the City to approve this Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Agreement or to restrain or enjoin the payment of Installment Payments, nor is there any basis for any such action, suit, proceeding or investigation.

(f) By official action of the City prior to or concurrently with the execution hereof, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by this Agreement.

(g) The City is not in breach of or default under any material applicable law or administrative regulation of the State of California or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, and no

event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could be to materially and adversely affect the performance of the City under the City Documents.

(h) The City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Purchaser and this Agreement.

(i) Any certificate of the City delivered to the Purchaser shall be deemed a representation and warranty by the City to the Purchaser as to the statements made therein.

(j) As of the time of acceptance hereof and as of the Closing Date the City does not and will not have outstanding any indebtedness which is secured by a lien on the City's general fund except as disclosed to the Purchaser.

(k) The financial statements of, and other financial information regarding the City delivered to the Purchaser fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(l) Between the date of this Agreement and the date of Closing Date, the City will not, without the prior written consent of the Purchaser, offer or issue any certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by a lien on the City's general fund.

(m) The City acknowledges that Purchaser will treat the acquisition of the Authority's rights in the Installment Sale Agreement as a loan.

6. *Conditions Precedent to the Closing.* Other conditions precedent to the Closing are:

(a) The delivery by the City of a certified copy of (i) the resolution of the City Council authorizing the execution and delivery by the City of the Installment Sale Agreement, together with an incumbency certificate of the City, and (ii) the resolution of the Board of Directors of the Authority authorizing the execution and delivery by the Authority of the Installment Sale Agreement and the Assignment Agreement, together with an incumbency certificate of the Authority;

(b) The delivery by the City of the fully executed Installment Sale Agreement and Assignment Agreement in form and substance acceptable to the Purchaser;

(c) The execution and delivery by the City of an Internal Revenue Service Form 8038-G in a form acceptable to Special Counsel and the Purchaser;

(d) Delivery of a legal opinion addressed to the City, with a reliance letter to the Purchaser, dated the Closing Date, of Quint & Thimmig LLP, as Special Counsel, with respect to (i) the validity and enforceability of the Installment Sale Agreement and the Assignment Agreement by and against the City and the Authority (as applicable), (ii) the tax-exempt status of the interest component of the Installment Payments, and (iii) such other matters as may be requested by the Purchaser in form and substance acceptable to the Purchaser;

(e) The delivery of a certificate dated the Closing Date and signed by the City Manager, or such other officer of the City as the City Council may approve, to the effect that:

(i) to the best knowledge of the City, there are no actions or proceedings against the City pending and notice of which has been served on the City or threatened that materially adversely affect the City's ability to pay the Installment Payments or to perform its obligations under the Installment Sale Agreement; and

(ii) the representations and warranties of the City contained in this agreement and the Installment Sale Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(f) The execution and delivery by the City of a certificate as to arbitrage;

(g) The delivery by the Purchaser of an investor letter in form and substance as attached hereto as Exhibit B; and

(h) Such other documents as may be reasonably requested by the Purchaser.

7. *Events Permitting the Purchaser to Terminate.* The Purchaser may terminate its obligation to purchase the Authority's rights, title and interest under the Installment Sale Agreement before the Closing Date if any of the following occurs:

(a) any legislative, executive or regulatory action (including the introduction of legislation) or any court decision that, in the judgment of the Purchaser, casts sufficient doubt on the legality of or the tax-exempt status of the interest component of obligations such as those represented by the Installment Sale Agreement and the Installment Payments so as to materially impair the marketability or to materially reduce the market price of such obligations, in the reasonable opinion of the Purchaser;

(b) any action by the Securities and Exchange Commission or a court that would require registration of the Installment Sale Agreement under the Securities Act of 1933, as amended;

(c) any event occurs or becomes known that has a material adverse effect on the financial condition of the City or on the ability of the City or the Authority to perform under the Installment Sale Agreement or the Assignment Agreement; or

(d) any of the representations or warranties of the City made in this Letter Agreement for Purchase are determined by the Purchaser to be untrue or materially inaccurate.

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Letter Agreement for Purchase by their officers thereunto duly authorized as of the day and year first above written.

COBIZ PUBLIC FINANCE, INC.

By _____
Name _____
Title _____

The foregoing is hereby agreed to and accepted as of the date first above written:

CITY OF BRISBANE

By _____
Clayton L. Holstine
City Manager

APPROVED AS TO FORM

By  _____
Bond Counsel

APPROVED AS TO FORM

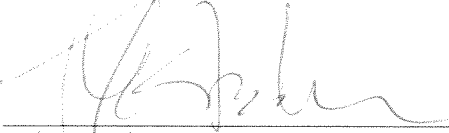
By  _____
Deputy City Attorney

EXHIBIT A
SCHEDULE OF INSTALLMENT PAYMENTS

<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component (1)</u>	<u>Total Installment Payment</u>
-------------------------------------	--------------------------------	-----------------------------------	--

Totals

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(1) Applicable interest rate is ____% per annum.

EXHIBIT B

FORM OF INVESTOR LETTER

City of Brisbane
50 Park Place
Brisbane, California 94005
Attention: Administrative Services Director

Re: \$_____ Installment Sale Agreement, dated as of May 1, 2015, by and between the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority and the City of Brisbane, assigned to CoBiz Public Finance, Inc.

Ladies and Gentlemen:

The undersigned, CoBiz Public Finance, Inc. (the "Purchaser"), has agreed to acquire (i) the rights, title and interest of the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (the "Authority") under the Installment Sale Agreement, dated as of May 1, 2015 (the "Installment Sale Agreement"), by and between the City of Brisbane (the "City") and the Authority, including its rights to the Installment Payments to be made by the City under the Installment Sale Agreement. In connection with such purchase, the Purchaser hereby agrees and certifies to the Authority and the City that:

(a) the Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations of a nature similar to the Installment Sale Agreement to be able to evaluate the risks and merits of the investment represented by the purchase of the rights, title and interest of the Authority under the Installment Sale Agreement.

(b) the Purchaser is acquiring the rights, title and interest of the Authority under the Installment Sale Agreement for its own account and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. the Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the rights, title and interest of the Authority under the Installment Sale Agreement or any part thereof, and the Purchaser has no current intention of reselling or otherwise disposing of the rights, title and interest of the Authority under the Installment Sale Agreement *provided, however*, such representation shall not preclude the Purchaser from transferring or selling of the rights, title and interest of the Authority under the Installment Sale Agreement assigned to the Purchaser in accordance with the Installment Sale Agreement. The Purchaser is not acting in a broker-dealer capacity in connection with its purchase of the rights, title and interest of the Authority under the Installment Sale Agreement.

(c) As a sophisticated investor, the Purchaser has made its own credit inquiry and analysis with respect to the City and the Installment Sale Agreement and has made an independent credit decision based upon such inquiry and analysis and in reliance on the truth, accuracy, and completeness of the representations and warranties of the City set forth in the Installment Sale Agreement and in the information set forth in any materials submitted to the Purchaser by the City. the Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the City and that the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Installment Sale Agreement. the Purchaser is able and willing to bear the economic risk of the purchase and ownership of the rights, title and interest of the Authority under the Installment Sale Agreement.

(d) the Purchaser understands that the Installment Sale Agreement has not been registered under the United States Securities Act of 1933 or under any state securities laws. the Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Installment Sale Agreement by it, and further acknowledges that any current exemption from registration of the Installment Sale Agreement does not affect or diminish such requirements.

(e) the Purchaser has authority to purchase the rights, title and interest of the Authority under the Installment Sale Agreement and to execute any instruments and documents required to be executed by the Purchaser in connection with the purchase of the rights, title and interest of the Authority under the Installment Sale Agreement. The undersigned is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the representations and warranties contained herein on behalf of the Purchaser.

(f) the Purchaser has been informed that the Installment Sale Agreement (i) has not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, and (ii) will not be listed on any stock or other securities exchange.

(g) the Purchaser acknowledges that rights, title and interest of the Authority under the Installment Sale Agreement are transferable with certain requirements, as described in the Installment Sale Agreement.

(h) the Purchaser has been informed that the Installment Sale Agreement is exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the City has not undertaken to provide any continuing disclosure with respect to the Installment Sale Agreement.

(i) The Purchaser intends to treat the acquisition of the Authority's rights in the Installment Sale Agreement as a loan.

COBIZ PUBLIC FINANCE, INC.

By _____
Name _____
Title _____