

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Administrative Services Director

Subject: Formation of a New Financing Authority Between the City of Brisbane and the Guadalupe Valley Water District in order to assist in the financing of future City projects

Date: September 18, 2014

Purpose:

Save the City money by providing a financing mechanism which ensures the City has the most financing options available and uses assets it already owns to the fullest in order to receive the best rates available in the market place.

Recommendation:

1. Adopt Resolution 2014-39 of the City of Brisbane authorizing the execution and delivery of a joint exercise of powers agreement by and between the City of Brisbane and the Guadalupe Valley Municipal District
2. Adopt Resolution GVMID 2014-03 of the Guadalupe Valley Municipal District (GVMID) authorizing the execution and delivery of a joint exercise of powers agreement by and between the City of Brisbane and the Guadalupe Valley Municipal District

Background/Discussion:

The mechanism the City has used for selling bonds was the Brisbane Public Financing Authority. This allowed the City to sell lease revenue bonds. The Brisbane Public Financing Authority (BPFA) owned the asset which was securing the loan and the City leased the facility from the Authority. The Brisbane Public Financing Authority was a joint exercise of power between the City of Brisbane, Guadalupe Valley Municipal Improvement District, and the Redevelopment Agency of the City of Brisbane. Since the Redevelopment Agency no longer exists we can not use the BPFA for future lease revenue deals. We need to create another financing authority.

The new financing authority will be a joint exercise of power between the City and the GVMID. Our Bond Counsel (Brian Quint) has drafted the necessary documents to establish the new Financing Authority. Attached are the Resolutions of the City of Brisbane and the GVMID which establishes the new Authority. The Joint Exercise of Powers Agreement is attached to each of the resolutions.

One of the first projects the Brisbane Financing Authority (BFA) will undertake is a proposed refinancing of the 2005 City Hall bonds. By refinancing the bonds in today's interest rate environment we can save about \$278,000 over the life of the bonds or on average about \$13,900 a year. The current interest rate on the bonds is 3.60% and 4.65%. The new bonds are expected to have an interest rate between 3.0% and 4.0%. Staff is not recommending extending the life of the bonds. The savings will accrue to the City's General Fund since this is the source of repayment of the bonds.

Fiscal Impact:

There is no additional costs associated with setting up the new Financing Authority. Its only purpose is to allow the City to sell lease revenue bonds.

Measure of Success

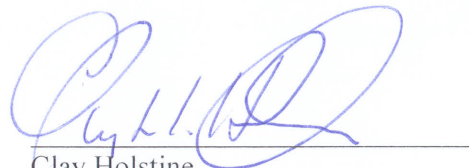
The City is able to receive competitive interest rates in the market.

Attachments:

Resolution 2014-39
Resolution GVMID 2014-03
Lease Revenue Refunding Scenario



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

CITY OF BRISBANE

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
AUTHORIZING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF
POWERS AGREEMENT BY AND BETWEEN THE CITY OF BRISBANE AND THE
GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT**

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

WHEREAS, the City is a municipal corporation and general law city duly organized and existing under and pursuant to the laws of the State of California;

WHEREAS, the City, acting pursuant to Article I (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "JPA Law"), may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to section 6588 of the California Government Code, to exercise certain additional powers;

WHEREAS, the City and Guadalupe Valley Municipal Improvement District (the "GVMID") desire to create and establish the Brisbane Financing Authority (the "BFA") pursuant to the JPA Law;

WHEREAS, there has been presented to this meeting a proposed form of joint exercise of powers agreement (the "Agreement"), by and between the City and GVMID, which agreement creates and establishes the BFA; and

WHEREAS, under California law and the Agreement, the Authority will be a public entity separate and apart from the parties to the Agreement, and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the City or any representative of the City serving on the governing body of the Authority;

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

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

Section 2. The Agreement, in the form on file with the City Clerk, is hereby approved. The Mayor, the City Manager, the Assistant City Manager or the Finance Director (each, an "Authorized Officer") are each hereby authorized and directed, on behalf of the City, to execute and deliver the Agreement in the approved form, with such changes as the Authorized Officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Mayor, the City Manager, the Assistant City Manager, the Finance 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 as may be necessary to effect the purposes of this resolution.

Section 5. This Resolution shall take effect upon its adoption by the Council.

* * * * *

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 at a meeting thereof on the 18th day of September, 2014, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

City Clerk

JOINT EXERCISE OF POWERS AGREEMENT

by and between

CITY OF BRISBANE

and

GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT

creating the

BRISBANE FINANCING AUTHORITY

September 18, 2014

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JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated September 18, 2014, by and between the CITY OF BRISBANE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "City"), and GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT, a municipal improvement district organized and existing under and by virtue of the laws of the State of California (the "GVMID").

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") authorizes the City and the GVMID to create a joint exercise of powers entity which has the power to exercise any powers common to the City and the GVMID and to exercise additional powers granted to it under the Act. This Agreement creates such an agency, which shall be known as the Brisbane Financing Authority (the "Authority") for the purposes and to exercise the powers described herein.

B. The City is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the laws of the State of California.

C. The GVMID is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the laws of the State of California.

D. Article 4 of the Act (known as the "Marks-Roos Local Bond Pooling Act of 1985") authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the City or the GVMID for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the City or the GVMID. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

"Act" shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

"Agreement" shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

"Authority" shall mean the Brisbane Financing Authority created by this Agreement.

"Board" or "Board of Directors" shall mean the governing board of the Authority.

"Bonds" shall mean bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

"City" shall mean the City of Brisbane, a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State.

"GVMID" shall mean Guadalupe Valley Municipal Improvement District, a municipal improvement district, duly organized and existing under and by virtue of the laws of the State.

"Indenture" shall mean each indenture, trust agreement or other such instrument pursuant to which Bonds are issued.

"Member" or "Members" shall mean the City and/or the GVMID, as appropriate.

"State" shall mean the State of California.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of assisting the financing and refinancing of capital improvement projects of the City and/or the GVMID and to finance working capital for the City and/or the GVMID by exercising the powers referred to in this agreement and shall benefit no other entity. Any Bonds issued by the Authority shall be solely for projects benefiting the City and/or the GVMID.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of the GVMID and the City; *provided, however*, that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

Section 4. The Authority.

(a) *Creation of the Authority.* There is hereby created pursuant to the Act an authority and public entity to be known as the "Brisbane Financing Authority." As provided in the Act, the Authority shall be a public entity separate from the City and the GVMID. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the City or the GVMID.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State.

(b) *Governing Board.* The Authority shall be administered by the Board which shall consist of the five members of the City Council. The term of office as a member of the Board shall terminate when such member of the Board shall cease to hold its respective office at the City and the successor to such officer or director of the City shall become a member of the Board, upon assuming such office.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

(c) *Meetings of Board.*

(1) **Time and Place.** The Board shall hold regular meetings concurrently with meetings of the City, unless otherwise provided in the By-Laws of the Authority adopted by the Board (the "By-Laws"). The By-Laws shall establish the date upon which, and the hour and place at which, each regular meeting is to be held, if other than concurrently with meetings of the City, and the procedures for establishing the date,

hour and place of additional regular meetings. The Board may hold special meetings at any time and from time to time in accordance with law.

(2) **Legal Notice.** All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) **Minutes.** The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the City and the GVMID.

(4) **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) *Officers; Duties; Bonds.*

(1) The officers of the Authority shall be the Chairman, Vice Chairman, Executive Director, Secretary and Treasurer. The officers of the Authority shall be the persons specified in the By-Laws and shall have the powers vested in them pursuant to such By-Laws and such other powers as may be granted by the Board from time to time by resolution. Such officers may be directors or officers of the City serving *ex officio*.

(2) The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond in the amount of \$25,000 as required by section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). The cost of the bond shall be paid by the City.

(3) So long as required by section 6505 and section 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board, the City and the GVMID which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(4) The services of the officers shall be without compensation by the Authority. the City will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

(5) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(6) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(7) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(8) The Members hereby confirm their intent and agree that, as provided in Section 4(A) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the City or the GVMID, and they do not intend by the following sentence to impair this provision. To the extent that liability is imposed or a claim is made on the GVMID, for any reason whatsoever notwithstanding Section 4(A) hereof and the Act, directly or indirectly arising out of a transaction or series of transactions undertaken by or for the benefit of the City in connection with the activities of the Authority, the City shall indemnify, defend and hold harmless the GVMID and each of the GVMID's officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of or in connection with the activities of the Authority. the GVMID may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the City. The Authority and the City shall be jointly and severally liable for any indemnity obligation owed to the GVMID. Notwithstanding the provisions of section 895.6 of the Government Code of the State, the City shall not have any right to contribution from the GVMID.

(9) In any event, the Authority or the City shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

Section 5. Powers. The Authority shall have any and all powers which are common powers of the City and the GVMID, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the City.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2013.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the City, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the City and the GVMID for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the City or the GVMID, as the case may be, and the Authority at the time of making such advance as provided by section 6512.1 of the Act. It is mutually understood and agreed that neither the City nor the GVMID has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The City or the GVMID may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Bonds.

(a) *Authority To Issue Bonds.* When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board.

(b) *Bonds Limited Obligations.* The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including the GVMID and the City, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the GVMID and the City, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds nor shall the State or any public agency or instrumentality thereof, including the GVMID and

the City, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, in his or her individual capacity and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the City and the GVMID, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the City and the GVMID and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(a) *Audits*. The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(b) *Audit Reports*. The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of the Act shall file a report of the audit performed pursuant to Subsection B of this Section 12 as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law. Such Conflict of Interest Code may be the conflict of interest code of the City.

Section 15. Breach. If default shall be made by the City or the GVMID in any covenant contained in this Agreement, such default shall not excuse either the City or the GVMID from

fulfilling its obligations under this Agreement and the City and the GVMID shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. the City and the GVMID hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the City and the GVMID hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 17. Withdrawal. Neither the GVMID nor the City may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the GVMID and the City when each party has executed a counterpart of this Agreement.

Section 19. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 21. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the GVMID, by resolution duly adopted by the board of directors of the GVMID, and, in the case of the City, by resolution duly adopted by the City Council, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Waiver of Personal Liability. No member, officer or employee of the Authority, the City or the GVMID shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the City shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to

be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to the City hereunder shall be sufficient if delivered to the Director of Finance/Treasurer of the City, and notices to the GVMID hereunder shall be sufficient if delivered to the financial advisor of the GVMID.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This 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.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by the GVMID or the City, such action may be exercised through the officers, staff or employees of the GVMID or the City, as the case may be, in the manner provided by law.

The section and subsection headings herein are for convenience only and are not to be construed as modifying or governing the language in the section or subsection referred to.

This Agreement is made in the State, under the Constitution and laws of the state and is to be construed as a contract made and to be performed in the State.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

CITY OF BRISBANE

By _____
Mayor

Attest:

City Clerk

GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT

By _____
President

Attest:

Secretary

GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT BY AND BETWEEN THE GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT AND THE CITY OF BRISBANE

RESOLVED, by the Board of Directors (the "Board") of the Guadalupe Valley Municipal Improvement District (the "GVMID"), as follows:

WHEREAS, the GVMID is a municipal improvement district duly organized and existing under and pursuant to the laws of the State of California;

WHEREAS, the GVMID, acting pursuant to Article I (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "JPA Law"), may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to section 6588 of the California Government Code, to exercise certain additional powers;

WHEREAS, GVMID and the City of Brisbane (the "City") desire to create and establish the Brisbane Financing Authority (the "BFA") pursuant to the provisions of the JPA Law;

WHEREAS, there has been presented to this meeting a proposed form of joint exercise of powers agreement (the "Agreement"), by and between GVMID and the City, which agreement creates and establishes the BFA; and

WHEREAS, under California law and the Agreement, the BFA will be a public entity separate and apart from the parties to the Agreement and the debts, liabilities and obligations of the BFA will not be the debts, liabilities or obligations of the BFA or any representative of the BFA serving on the governing body of the BFA or any member of the BFA;

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

Section 1. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The Agreement, in the form on file with the Secretary, is hereby approved. The President, the Executive Director or the Treasurer (each, an "Authorized Officer") are each hereby authorized and directed, on behalf of the GVMID, to execute and deliver the Agreement in the approved form, with such changes as the Authorized Officer executing such document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The President, the Executive Director, the Treasurer, the Secretary and all other appropriate officials of the GVMID are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution.

Section 4. This resolution shall take effect from and after its adoption.

I, the undersigned Secretary of the Guadalupe Valley Municipal Improvement District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the District at a meeting thereof on the 18th day of September, 2014, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary

JOINT EXERCISE OF POWERS AGREEMENT

by and between

CITY OF BRISBANE

and

GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT

creating the

BRISBANE FINANCING AUTHORITY

September 18, 2014

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JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated September 18, 2014, by and between the CITY OF BRISBANE, a municipal corporation and general law city organized and existing under and by virtue of the laws of the State of California (the "City"), and GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT, a municipal improvement district organized and existing under and by virtue of the laws of the State of California (the "GVMID").

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act") authorizes the City and the GVMID to create a joint exercise of powers entity which has the power to exercise any powers common to the City and the GVMID and to exercise additional powers granted to it under the Act. This Agreement creates such an agency, which shall be known as the Brisbane Financing Authority (the "Authority") for the purposes and to exercise the powers described herein.

B. The City is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the laws of the State of California.

C. The GVMID is authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the laws of the State of California.

D. Article 4 of the Act (known as the "Marks-Roos Local Bond Pooling Act of 1985") authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the City or the GVMID for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the City or the GVMID. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

"Act" shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

"Agreement" shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

"Authority" shall mean the Brisbane Financing Authority created by this Agreement.

"Board" or "Board of Directors" shall mean the governing board of the Authority.

"Bonds" shall mean bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

"City" shall mean the City of Brisbane, a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State.

"GVMID" shall mean Guadalupe Valley Municipal Improvement District, a municipal improvement district, duly organized and existing under and by virtue of the laws of the State.

"Indenture" shall mean each indenture, trust agreement or other such instrument pursuant to which Bonds are issued.

"Member" or "Members" shall mean the City and/or the GVMID, as appropriate.

"State" shall mean the State of California.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of assisting the financing and refinancing of capital improvement projects of the City and/or the GVMID and to finance working capital for the City and/or the GVMID by exercising the powers referred to in this agreement and shall benefit no other entity. Any Bonds issued by the Authority shall be solely for projects benefiting the City and/or the GVMID.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by a supplemental agreement of the GVMID and the City; *provided, however*, that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

Section 4. The Authority.

(a) *Creation of the Authority*. There is hereby created pursuant to the Act an authority and public entity to be known as the "Brisbane Financing Authority." As provided in the Act, the Authority shall be a public entity separate from the City and the GVMID. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the City or the GVMID.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State.

(b) *Governing Board*. The Authority shall be administered by the Board which shall consist of the five members of the City Council. The term of office as a member of the Board shall terminate when such member of the Board shall cease to hold its respective office at the City and the successor to such officer or director of the City shall become a member of the Board, upon assuming such office.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

(c) *Meetings of Board*.

(1) **Time and Place**. The Board shall hold regular meetings concurrently with meetings of the City, unless otherwise provided in the By-Laws of the Authority adopted by the Board (the "By-Laws"). The By-Laws shall establish the date upon which, and the hour and place at which, each regular meeting is to be held, if other than concurrently with meetings of the City, and the procedures for establishing the date,

hour and place of additional regular meetings. The Board may hold special meetings at any time and from time to time in accordance with law.

(2) **Legal Notice.** All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) **Minutes.** The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the City and the GVMID.

(4) **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) *Officers; Duties; Bonds.*

(1) The officers of the Authority shall be the Chairman, Vice Chairman, Executive Director, Secretary and Treasurer. The officers of the Authority shall be the persons specified in the By-Laws and shall have the powers vested in them pursuant to such By-Laws and such other powers as may be granted by the Board from time to time by resolution. Such officers may be directors or officers of the City serving *ex officio*.

(2) The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond in the amount of \$25,000 as required by section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). The cost of the bond shall be paid by the City.

(3) So long as required by section 6505 and section 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board, the City and the GVMID which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(4) The services of the officers shall be without compensation by the Authority. the City will provide such other administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services.

(5) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(6) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(7) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(8) The Members hereby confirm their intent and agree that, as provided in Section 4(A) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the City or the GVMID, and they do not intend by the following sentence to impair this provision. To the extent that liability is imposed or a claim is made on the GVMID, for any reason whatsoever notwithstanding Section 4(A) hereof and the Act, directly or indirectly arising out of a transaction or series of transactions undertaken by or for the benefit of the City in connection with the activities of the Authority, the City shall indemnify, defend and hold harmless the GVMID and each of the GVMID's officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of or in connection with the activities of the Authority. the GVMID may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the City. The Authority and the City shall be jointly and severally liable for any indemnity obligation owed to the GVMID. Notwithstanding the provisions of section 895.6 of the Government Code of the State, the City shall not have any right to contribution from the GVMID.

(9) In any event, the Authority or the City shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

Section 5. Powers. The Authority shall have any and all powers which are common powers of the City and the GVMID, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the City.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2013.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the City, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the City and the GVMID for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the City or the GVMID, as the case may be, and the Authority at the time of making such advance as provided by section 6512.1 of the Act. It is mutually understood and agreed that neither the City nor the GVMID has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The City or the GVMID may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Bonds.

(a) *Authority To Issue Bonds.* When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board.

(b) *Bonds Limited Obligations.* The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including the GVMID and the City, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the GVMID and the City, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds nor shall the State or any public agency or instrumentality thereof, including the GVMID and

the City, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, in his or her individual capacity and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the City and the GVMID, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the City and the GVMID and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(a) *Audits*. The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(b) *Audit Reports*. The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of the Act shall file a report of the audit performed pursuant to Subsection B of this Section 12 as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law. Such Conflict of Interest Code may be the conflict of interest code of the City.

Section 15. Breach. If default shall be made by the City or the GVMID in any covenant contained in this Agreement, such default shall not excuse either the City or the GVMID from

fulfilling its obligations under this Agreement and the City and the GVMID shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. the City and the GVMID hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the City and the GVMID hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 17. Withdrawal. Neither the GVMID nor the City may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the GVMID and the City when each party has executed a counterpart of this Agreement.

Section 19. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 21. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the GVMID, by resolution duly adopted by the board of directors of the GVMID, and, in the case of the City, by resolution duly adopted by the City Council, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Waiver of Personal Liability. No member, officer or employee of the Authority, the City or the GVMID shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the City shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to

be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to the City hereunder shall be sufficient if delivered to the Director of Finance/Treasurer of the City, and notices to the GVMID hereunder shall be sufficient if delivered to the financial advisor of the GVMID.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This 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.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by the GVMID or the City, such action may be exercised through the officers, staff or employees of the GVMID or the City, as the case may be, in the manner provided by law.

The section and subsection headings herein are for convenience only and are not to be construed as modifying or governing the language in the section or subsection referred to.

This Agreement is made in the State, under the Constitution and laws of the state and is to be construed as a contract made and to be performed in the State.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

CITY OF BRISBANE

By _____
Mayor

Attest:

City Clerk

GUADALUPE VALLEY MUNICIPAL
IMPROVEMENT DISTRICT

By _____
President

Attest:

Secretary

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Issue Summary

<u>Issue Summary</u>	
Dated Date	11/01/2014
Delivery Date	11/01/2014
Par Amount	\$6,260,000
Refunded Par	\$6,090,000
Avg Annual Savings	\$13,298
Total Savings	\$278,768
Present Value Savings	\$208,774
% of Refunding Par	3.335%
% of Refunded Par	3.428%
Net Underwriter's Spread	1.100%
Total Costs as % of Par	3.073%
TIC	3.61881%
Bond Yield	3.48998%
Arbitrage Yield	3.48998%
Escrow Yield	0.04964%
Average Life	10.71
Estimated Neg(Pos) Arbitrage	\$87,778

Sources

Par Amount	\$6,260,000.00
Original Issue Prem/(Disc)	179,702.40
Debt Service Fund	0.00
Accrued Interest	<u>0.00</u>
Total	\$6,439,702.40

Uses

Restricted Escrow	\$6,221,429.00
Initial Escrow Deposit	10.00
Unrestricted Escrow	0.00
Underwriting	68,860.00
Insurance	0.00
Bond Reserve Fund	21,038.73
Issuance Costs	123,500.00
Accrued Interest	0.00
Miscellaneous	<u>4,864.67</u>
Total	\$6,439,702.40

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Debt Service and Savings Schedule

Date	Principal	Rate	Interest	Annual Debt Service	Refunded Debt Service	Cashflow Savings
11/01/2014						
04/01/2015	30,000	2.000%	97,015.63	127,015.63	132,715.63	5,700.00
10/01/2015			116,118.75			
04/01/2016	470,000	3.000%	116,118.75	702,237.50	720,431.25	18,193.75
10/01/2016			109,068.75			
04/01/2017	485,000	3.000%	109,068.75	703,137.50	723,453.75	20,316.25
10/01/2017			101,793.75			
04/01/2018	500,000	4.000%	101,793.75	703,587.50	724,803.75	21,216.25
10/01/2018			91,793.75			
04/01/2019	205,000	4.000%	91,793.75	388,587.50	400,188.75	11,601.25
10/01/2019			87,693.75			
04/01/2020	215,000	4.000%	87,693.75	390,387.50	402,588.75	12,201.25
10/01/2020			83,393.75			
04/01/2021	220,000	4.000%	83,393.75	386,787.50	399,388.75	12,601.25
10/01/2021			78,993.75			
04/01/2022	230,000	4.000%	78,993.75	387,987.50	400,778.75	12,791.25
10/01/2022			74,393.75			
04/01/2023	240,000	4.000%	74,393.75	388,787.50	401,641.25	12,853.75
10/01/2023			69,593.75			
04/01/2024	250,000	4.000%	69,593.75	389,187.50	401,966.25	12,778.75
10/01/2024			64,593.75			
04/01/2025	260,000	3.000%	64,593.75	389,187.50	401,685.00	12,497.50
10/01/2025			60,693.75			
04/01/2026	265,000	3.250%	60,693.75	386,387.50	400,415.00	14,027.50
10/01/2026			56,387.50			
04/01/2027	275,000	3.500%	56,387.50	387,775.00	398,685.00	10,910.00
10/01/2027			51,575.00			
04/01/2028	285,000	3.750%	51,575.00	388,150.00	401,495.00	13,345.00
10/01/2028			46,231.25			
04/01/2029	295,000	3.750%	46,231.25	387,462.50	398,615.00	11,152.50
10/01/2029			40,700.00			
04/01/2030	305,000	4.000%	40,700.00	386,400.00	400,275.00	13,875.00
10/01/2030			34,600.00			
04/01/2031	320,000	4.000%	34,600.00	389,200.00	401,168.75	11,968.75
10/01/2031			28,200.00			
04/01/2032	330,000	4.000%	28,200.00	386,400.00	401,368.75	14,968.75
10/01/2032			21,600.00			
04/01/2033	345,000	4.000%	21,600.00	388,200.00	400,875.00	12,675.00
10/01/2033			14,700.00			
04/01/2034	360,000	4.000%	14,700.00	389,400.00	399,687.50	10,287.50
10/01/2034			7,500.00			
04/01/2035	375,000	4.000%	7,500.00	390,000.00	402,806.25	12,806.25
	6,260,000		2,576,265.63	8,836,265.63	9,115,033.13	278,767.50
					Net Savings	278,767.50

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Pricing Schedule

Date	Principal	Coupon	Yield	Call Date	04/01/2024
				Price	Production
11/01/2014					
04/01/2015	30,000	2.000%	0.460%	100.6400	30,192.00
04/01/2016	470,000	3.000%	0.710%	103.2210	485,138.70
04/01/2017	485,000	3.000%	0.990%	104.7870	508,216.95
04/01/2018	500,000	4.000%	1.320%	108.9230	544,615.00
04/01/2019	205,000	4.000%	1.710%	109.7000	224,885.00
04/01/2020	215,000	4.000%	1.970%	110.3790	237,314.85
04/01/2021	220,000	4.000%	2.310%	110.0230	242,050.60
04/01/2022	230,000	4.000%	2.580%	109.5270	251,912.10
04/01/2023	240,000	4.000%	2.790%	109.0190	261,645.60
04/01/2024	250,000	4.000%	2.940%	108.6610	271,652.50
04/01/2025	260,000	3.000%	3.150%	98.6750	256,555.00
04/01/2026	265,000	3.250%	3.350%	99.0550	262,495.75
04/01/2027	275,000	3.500%	3.560%	99.3990	273,347.25
04/01/2028	285,000	3.750%	3.650%	100.7880	287,245.80
04/01/2029	295,000	3.750%	3.730%	100.1550	295,457.25
04/01/2030	305,000	4.000% term		98.6230	300,800.15
04/01/2031	320,000	4.000% term		98.6230	315,593.60
04/01/2032	330,000	4.000% term		98.6230	325,455.90
04/01/2033	345,000	4.000% term		98.6230	340,249.35
04/01/2034	360,000	4.000% term		98.6230	355,042.80
04/01/2035	375,000	4.000%	4.100%	98.6230	369,836.25
	6,260,000.00	Par Amount			6,439,702.40
	<u>110,842.40</u>	+ Premium Bid			
	6,370,842.40	= Amount Bid			
	<u>68,860.00</u>	+ Gross Underwriter's Spread			
	6,439,702.40	= Price to Public			

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Yield Calculation

Date	Debt Service	TIC Present Value	Bond Yield Present Value	Adjusted Debt Service	AYL Present Value
11/01/2014					
04/01/2015	127,015.63	125,131.67	125,197.68	127,015.63	125,197.68
10/01/2015	116,118.75	112,363.31	112,493.77	116,118.75	112,493.77
04/01/2016	586,118.75	557,082.96	558,082.87	586,118.75	558,082.87
10/01/2016	109,068.75	101,823.19	102,070.53	109,068.75	102,070.53
04/01/2017	594,068.75	544,747.37	546,416.40	594,068.75	546,416.40
10/01/2017	101,793.75	91,683.60	92,022.73	101,793.75	92,022.73
04/01/2018	601,793.75	532,390.49	534,698.09	601,793.75	534,698.09
10/01/2018	91,793.75	79,764.16	80,160.62	91,793.75	80,160.62
04/01/2019	296,793.75	253,315.38	254,735.60	296,793.75	254,735.60
10/01/2019	87,693.75	73,516.96	73,975.94	87,693.75	73,975.94
04/01/2020	302,693.75	249,249.58	250,964.50	302,693.75	250,964.50
10/01/2020	83,393.75	67,449.16	67,956.24	83,393.75	67,956.24
04/01/2021	303,393.75	241,024.83	242,990.56	303,393.75	242,990.56
10/01/2021	78,993.75	61,639.62	62,181.68	78,993.75	62,181.68
04/01/2022	308,993.75	236,825.81	239,059.72	308,993.75	239,059.72
10/01/2022	74,393.75	56,005.14	56,569.21	74,393.75	56,569.21
04/01/2023	314,393.75	232,475.63	234,965.75	314,393.75	234,965.75
10/01/2023	69,593.75	50,545.89	51,119.65	69,593.75	51,119.65
04/01/2024	319,593.75	227,995.35	230,729.37	319,593.75	230,729.37
10/01/2024	64,593.75	45,261.64	45,833.40	64,593.75	45,833.40
04/01/2025	324,593.75	223,404.56	226,369.91	324,593.75	226,369.91
10/01/2025	60,693.75	41,030.61	41,601.55	60,693.75	41,601.55
04/01/2026	325,693.75	216,264.63	219,412.77	325,693.75	219,412.77
10/01/2026	56,387.50	36,776.55	37,335.53	56,387.50	37,335.53
04/01/2027	331,387.50	212,293.34	215,656.49	331,387.50	215,656.49
10/01/2027	51,575.00	32,452.76	32,987.74	51,575.00	32,987.74
04/01/2028	336,575.00	208,020.57	211,583.70	336,575.00	211,583.70
10/01/2028	46,231.25	28,065.46	28,564.26	46,231.25	28,564.26
04/01/2029	341,231.25	203,468.61	207,215.91	341,231.25	207,215.91
10/01/2029	40,700.00	23,837.19	24,291.57	40,700.00	24,291.57
04/01/2030	345,700.00	198,871.33	202,790.50	345,700.00	202,790.50
10/01/2030	34,600.00	19,550.64	19,948.55	34,600.00	19,948.55
04/01/2031	354,600.00	196,804.81	200,937.46	354,600.00	200,937.46
10/01/2031	28,200.00	15,372.98	15,705.73	28,200.00	15,705.73
04/01/2032	358,200.00	191,799.18	196,074.76	358,200.00	196,074.76
10/01/2032	21,600.00	11,360.23	11,620.82	21,600.00	11,620.82
04/01/2033	366,600.00	189,381.61	193,848.53	366,600.00	193,848.53
10/01/2033	14,700.00	7,458.90	7,639.67	14,700.00	7,639.67
04/01/2034	374,700.00	186,746.82	191,393.72	374,700.00	191,393.72
10/01/2034	7,500.00	3,671.49	3,765.24	7,500.00	3,765.24
04/01/2035	382,500.00	183,918.38	188,733.66	382,500.00	188,733.66
	8,836,265.63	6,370,842.40	6,439,702.40	8,836,265.63	6,439,702.40
Target Value					
Par Amount		6,260,000.00	6,260,000.00		6,260,000.00
Premium/OIP		110,842.40	179,702.40		179,702.40
Insurance			0.00		0.00
Accured Interest			0.00		0.00
		6,370,842.40	6,439,702.40		6,439,702.40
TIC/AYL		3.61881%	3.48998%		3.48998%

**Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Refunded Bonds Debt Service Schedule**

							Call Date:	04/01/2015
							Call Price:	100.00
Date	Principal	Rate	Interest	Semiannual Debt Service	Annual Debt Service	Debt Service to Call		
10/01/2014								
04/01/2015			17,543.75	17,543.75	17,543.75	912,543.75		
10/01/2015			17,543.75	17,543.75				
04/01/2016	285,000	3.750%	17,543.75	302,543.75	320,087.50			
10/01/2016			12,200.00	12,200.00				
04/01/2017	300,000	4.000%	12,200.00	312,200.00	324,400.00			
10/01/2017			6,200.00	6,200.00				
04/01/2018	310,000	4.000%	6,200.00	316,200.00	322,400.00			
	895,000		89,431.25	984,431.25	984,431.25	912,543.75		

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Escrow Requirements Schedule

Date	Maturing Principal	Called Principal	Call Premium	Interest	Unrestricted Cashflow	Escrow Requirement	Present Value @ 3.48998%
11/01/2014							
04/01/2015		6,090,000	0.00	132,715.63	0.00	6,222,715.63	6,133,651.49
10/01/2015							
	0	6,090,000	0.00	132,715.63	0.00	6,222,715.63	6,133,651.49

**Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Escrow Cost and Cashflow Schedule**

Yield Limit 3.489979%
Escrow Yield 0.049645%

Date	Maturing Principal	Rate	Interest Receipt	Total Receipt	Escrow Requirement	Balance	Price	Cost	Present Value
11/01/2014						10.00			
04/01/2015	6,221,429	0.050%	1,286.90	6,222,715.90	6,222,715.63	10.27	100.000	6,221,429.00	6,221,429.00
	6,221,429		1,286.90	6,222,715.90	6,222,715.63			6,221,429.00	6,221,429.00

Unrestricted Escrow from Debt Service Fund Cash

Date	Maturing Principal	Rate	Interest Receipt	Total Receipt	Escrow Requirement	Balance	Price	Cost	Present Value
11/01/2014									
04/01/2015		0.050%	0.00	0.00			100.000	0.00	

Brisbane Public Financing Authority
Lease Revenue Refunding Bonds, Series 2014 (2005 Bonds)
Savings Calculation

Date	Refunding Debt Service	Refunded Debt Service	Cashflow Savings	Present Value
11/01/2014	0.00		0.00	0.00
04/01/2015	127,015.63	132,715.63	5,700.00	5,618.42
10/01/2015	116,118.75	132,715.63	16,596.88	16,078.76
04/01/2016	586,118.75	587,715.63	1,596.88	1,520.49
10/01/2016	109,068.75	124,226.88	15,158.13	14,185.53
04/01/2017	594,068.75	599,226.88	5,158.13	4,744.37
10/01/2017	101,793.75	114,901.88	13,108.13	11,849.90
04/01/2018	601,793.75	609,901.88	8,108.13	7,204.13
10/01/2018	91,793.75	105,094.38	13,300.63	11,615.02
04/01/2019	296,793.75	295,094.38	(1,699.38)	(1,458.56)
10/01/2019	87,693.75	101,294.38	13,600.63	11,473.10
04/01/2020	302,693.75	301,294.38	(1,399.38)	(1,160.23)
10/01/2020	83,393.75	97,194.38	13,800.63	11,245.91
04/01/2021	303,393.75	302,194.38	(1,199.38)	(960.59)
10/01/2021	78,993.75	92,889.38	13,895.63	10,938.25
04/01/2022	308,993.75	307,889.38	(1,104.38)	(854.42)
10/01/2022	74,393.75	88,320.63	13,926.88	10,590.03
04/01/2023	314,393.75	313,320.63	(1,073.13)	(802.01)
10/01/2023	69,593.75	83,483.13	13,889.38	10,202.35
04/01/2024	319,593.75	318,483.13	(1,110.63)	(801.81)
10/01/2024	64,593.75	78,342.50	13,748.75	9,755.62
04/01/2025	324,593.75	323,342.50	(1,251.25)	(872.61)
10/01/2025	60,693.75	72,707.50	12,013.75	8,234.63
04/01/2026	325,693.75	327,707.50	2,013.75	1,356.62
10/01/2026	56,387.50	66,842.50	10,455.00	6,922.51
04/01/2027	331,387.50	331,842.50	455.00	296.10
10/01/2027	51,575.00	60,747.50	9,172.50	5,866.80
04/01/2028	336,575.00	340,747.50	4,172.50	2,622.99
10/01/2028	46,231.25	54,307.50	8,076.25	4,989.96
04/01/2029	341,231.25	344,307.50	3,076.25	1,868.08
10/01/2029	40,700.00	47,637.50	6,937.50	4,140.61
04/01/2030	345,700.00	352,637.50	6,937.50	4,069.60
10/01/2030	34,600.00	40,584.38	5,984.38	3,450.28
04/01/2031	354,600.00	360,584.38	5,984.38	3,391.10
10/01/2031	28,200.00	33,184.38	4,984.38	2,776.00
04/01/2032	358,200.00	368,184.38	9,984.38	5,465.34
10/01/2032	21,600.00	25,437.50	3,837.50	2,064.58
04/01/2033	366,600.00	375,437.50	8,837.50	4,673.04
10/01/2033	14,700.00	17,343.75	2,643.75	1,373.97
04/01/2034	374,700.00	382,343.75	7,643.75	3,904.37
10/01/2034	7,500.00	8,903.13	1,403.13	704.41
04/01/2035	382,500.00	393,903.13	11,403.13	5,626.55
	8,836,265.63	9,115,033.13	278,767.50	203,909.16
		Less: DSF Monies	0.00	0.00
		Plus: Miscellaneous	<u>4,864.67</u>	<u>4,864.67</u>
		Net Savings	<u>283,632.17</u>	<u>208,773.83</u>