

City of Piedmont
COUNCIL AGENDA REPORT

DATE: September 7, 2021

TO: Mayor and Council

FROM: Sara Lillevand, City Administrator

SUBJECT: Consideration of the Selection of Vendors to Provide Underwriting Services and Registrar and Paying Agent Services Related to the Issuance of General Obligation Bonds for the Piedmont Community Pool as Approved at the General Election of November 3, 2020 (Measure UU)

RECOMMENDATION

By motion, authorize staff to engage the services of The Bank of New York Mellon Trust Company, N.A. to serve as Registrar and Paying Agent as well as Bank of America Securities to serve as Underwriter for the issuance of general obligation bonds for the Piedmont Community Pool approved at the general election of November 3, 2020 (Measure UU).

BACKGROUND

At the General Municipal Election of November 3, 2020, an election measure (Measure UU) to issue general obligation bonds and levy the related tax was passed by the requisite two-thirds of the electors, for the purpose of financing the costs of municipal improvement projects of the City to prevent the permanent closure of, and replace, the Piedmont Community Pool and to make improvements to adjacent areas.

At its meeting on August 16th, the City Council (a) introduced an Ordinance authorizing the City to issue bonds in a principal amount of \$19.5 million and to levy an ad valorem property tax in an amount sufficient to pay such bonds, and (b) determined to issue the bonds on a negotiated basis and authorized the issuance of Requests for Proposals for Underwriting Services and Registrar and Paying Agent Services related to the issuance of such bonds. On August 17th, requests for Underwriting Services were sent to nine investment banking firms, and requests for Registrar and Paying Agent Services were sent to three commercial banks and trust companies.

Proposals to provide Underwriting Services and Registrar and Paying Agent Service were due Friday, August 27th. All proposals received were reviewed by Hilltop Securities, the City's Municipal Advisor, and City Staff. Two proposals were received from financial institutions to provide Registrar and Paying Agent Services, and three proposals were received from investment banking firms to provide Underwriting Services. Some of the investment banking firms passed on the opportunity to submit a proposal due to (a) their heavy calendar of California senior managed issues, and (b) the relatively small size of the bond issue.

Proposals were received from The Bank of New York Mellon Trust Company, N.A. (BNY Mellon) and U.S. Bank National Association to provide Registrar and Paying Agent Services. The proposals are summarized as follows:

Firm	Acceptance Fee	Annual Fee
BNY Mellon	\$ -	\$ 450.00
U.S. Bank	\$ 500.00	\$ 800.00

After carefully reviewing the submitted proposals, both of which were from institutions fully qualified and experienced to provide the requested services, staff recommends awarding the Registrar and Paying Agent Services to BNY Mellon on the basis of their proposal being the lowest cost bid.

Proposals to provide Underwriting Services were received from Bank of America (BofA Securities), Stifel, Nicholas & Company, Incorporated, and RBC Capital Markets. The proposals are summarized as follows:

Firm	Underwriter's Fee		Counsel Fee
	Per \$1,000	Estimated Total	
B of A Securities	\$ 1.50	\$ 29,250	\$ 15,000
Stifel	\$ 1.75	\$ 34,125	\$ 20,000
RBC	\$ 4.00	\$ 78,000	\$ 30,000

Each of such firms is fully qualified and experienced to provide the requested service, possesses sufficient capital to execute the financing in the best interest of the City, and is experienced in the underwriting of General Obligation Bonds by issuers in the State of California. After careful consideration, staff recommends BofA Securities based on their qualifications, experience underwriting General Obligation Bonds in California, capital position, distribution capabilities and provision of the lowest cost bid.

FISCAL CONSIDERATION

All underwriting and registrar and paying agent fees are paid from the proceeds of the community pool bond issuance at the time of issuance. There is no General Fund impact.

ATTACHMENTS

- A. Bank of New York Mellon Trust Company Proposal
- B. Bank of America Securities Proposal

By: Michael Szczech, Finance Director



CITY OF PIEDMONT, CALIFORNIA

Proposal to Provide Registrar and Paying Agent Services to City of Piedmont, California 2021 - 001

August 2021





BNY MELLON

August 27, 2021

City of Piedmont, California
Michael Szczech, Finance Director
120 Vista Avenue
Piedmont, CA 94611
mszczech@piedmont.ca.gov

Hilltop Securities Inc.
Michael Newman
michael.newman@hilltopsecurities.com

Re: City of Piedmont, California Proposal to Provide Registrar and Paying Agent Services to City of Piedmont, California 2021 – 001

Dear Michael and Michael,

On behalf of The Bank of New York Mellon Trust Company, N.A. (BNY Mellon) we appreciate the opportunity to respond to Hilltop Securities, Inc's request for qualifications for paying agent and registrar services for the City of Piedmont, California.

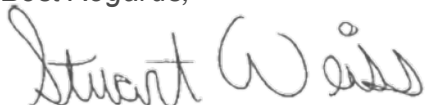
Choosing the right Paying Agent to handle your account is critical to a transaction's success. As paying agent we will notify the City of any upcoming distribution and the amount of funds required to meet the State's obligation. We will disburse principal and interest to registered bondholders whether by check or wire transfer, and prepare and mail 1099's, if applicable.

As a global leader in securities servicing and the world's leading provider of corporate trust and agency services, The Bank of New York Mellon is uniquely positioned to manage all of the State's paying agent service needs. Over the years BNY Mellon has radically expanded its sphere of operation and influence.

Today the company is an integral part of the worldwide financial markets, helping clients around the globe manage and service their financial assets and succeed in the rapidly changing global marketplace. We look forward to assisting.

Please never hesitate to contact me should you ever have any questions or need additional information regarding our proposal. Thank you for your interest in Bank of New York Mellon.

Best Regards,



Stuart Weiss, Vice President
stuart.weiss@bnymellon.com

1) Provide the name of your institution, its address, telephone number and facsimile number. Include the name, title, direct telephone number and facsimile number of the individual who will serve as the principal contact person for this engagement.

Please note that BNY Mellon has a dedicated Paying Agent unit located in Dallas, TX. If appointed this is where the City's General Obligation issue will be administered. Contact information for the unit and the assigned principal contact for the City of Piedmont is shown below.

Juliana Haidary, Associate Client Service Manager

The Bank of New York Mellon Trust Company, N.A.

2001 Bryan Street, 10th Floor

Dallas, TX 75201

Phone: (214) 468-6145

Fax: (214) 468-6322

juliana.haidary@bnymellon.com

2) Describe the organization, size and structure of your institution, including the number of corporate trust professionals employed for the administration of state and local government securities issuances. Identify the trust professionals in your institution located in California. Describe and discuss any professional staff reductions since January 1, 2018, and any pending staff reductions in the corporate trust area.

Founded by Alexander Hamilton in 1784, The Bank of New York Mellon (“BNY Mellon”) is one of the longest-lasting financial institutions in the world. For over 235 years, BNY Mellon has been a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle, delivering informed investment management and investment services in 35 countries. As of June 30, 2021, BNY Mellon has \$45.0 trillion in assets under custody and administration, \$2.3 trillion in assets under management.

The Bank of New York Mellon Trust Company, N.A. is a wholly owned subsidiary of The Bank of New York Mellon Corporation. The Comptroller of the Currency regulates the Bank of New York Trust Company, N.A. Its principal office is in Los Angeles, California. The Trust Company provides numerous trust related services nationally from 22 offices located in 16 states.

Further to the notation above, we have 24,688 corporate trust professionals globally. 34 of them are assigned to offices in San Francisco and Los Angeles and are working at home currently. For the City of Piedmont’s General Obligation issue, it will be administered by Juliana Haidary in our Dallas, TX Paying Agent Unit.

The company continually evaluates its workforce as part of our strategic focus on managing our businesses for the best returns. In some businesses, this may mean adding to staff and in others it may result in reductions to staff. We do not comment on number of positions eliminated, geographic locations or departments when such actions may occur.

3) State that your institution is licensed to provide services as Registrar and Paying Agent in the State of California and possess minimum capital of \$50,000,000. In addition, include a statement regarding your institution's capital, surplus and undivided profits.

BNY Mellon confirms that we are licensed to provide services as Registrar and Paying Agent in the State of California, and possess the minimum capital as outlined above.

The Bank of New York Mellon Trust Company, N.A.'s public Stockholder Equity number was \$1,125,276,117 as of 12/31/2020. Our financial reporting can be located at <https://www.bnymellon.com/us/en/investor-relations/financial-reports.jsp>

4) Provide a brief statement of your understanding of the scope of services being requested and discuss your institution's ability to perform the required duties in a timely manner and the ability to perform the requested services for the 30-year term of the proposed bonds.

As a long-standing provider of Corporate Trust services for California General Obligation Bonds, we are well versed to perform such services for the required services for the City of Piedmont and their 30-year General Obligation issue.

5) Provide a list, or an indicative list, of state and local governments for which your institution has provided Trustee, Paying Agent and Registrar services since January 1, 2018. Include the name of the issue, issue size, and type of security. Select two representative engagements from this list and describe the scope of services provided.

Please see the attached list of California issuers below for which we have provided Trustee, Registrar and Paying Agent since January 1, 2018. The following are two representative engagements:

- *Sonoma Valley Unified School District General Obligation Bonds, Election of 2016, Series 2020*
- *Belmont-Redwood Shores School District 2021 General Obligation Refunding Bonds Series A (Federally Tax Exempt)*

For the referenced issues and our overall paying agent portfolio we act as a third-party agent that collects interest and/or principal from a public agency or municipal bond issuer of General Obligation bonds. We pay the funds to DTC on a semi-annual basis on behalf of the bond issuer. We do not hold any funds or take any further directions. We provide monthly reporting to the issuer either in hard copy or electronically.

6) Provide the names and titles of the individuals (not more than three) who will be assigned to carry out the responsibilities of this engagement. Include a brief (not more than one page) description of their professional qualifications, including years working in the public trust area, years with your institution, and specific responsibilities in this engagement.

Juliana Haidary, Associate Client Service Manager

2001 Bryan Street, 10th Floor

Dallas, TX 75201

Phone: (214) 468-6145

Fax: (214) 468-6322

juliana.haidary@bnymellon.com

Juliana Haidary is an Associate Client Service Manager for the Bank of New York Mellon Trust Company. She has been exclusively working with public agencies and municipalities including public school districts for the past two years. More specifically, Juliana is responsible for the coordination of municipal debt issuance transactions as trustee, registrar, transfer agent, paying agent and escrow agent. Her portfolio is composed of California and southeast United States clients. She has over 20 years of experience in the financial service industry and holds a B.A. degree in Business Finance from California State University, Northridge. She has been with BNY Mellon for 3 ½ years.

Stuart Weiss, Vice President, Business Development Officer

400 South Hope Street, 5th Floor

Los Angeles, CA 90071

(213) 553-9510

stuart.weiss@bnymellon.com

Stuart has over 30 years of corporate trust sales experience and is responsible for new business development and client relationship management of municipal trust and agency appointments in California, Arizona, Colorado, New Mexico and Hawai'i. He began his corporate trust career in 1990 as a business development officer at Security Pacific Bank in Los Angeles. Stuart continued at Security Pacific during their acquisition by Bank of America, N.A. through 1995 while covering a Southern California sales/client territory. Subsequently, Stuart represented U.S. Trust Company, N.A. and their western U.S. territory from 1995 – 2000 and Wells Fargo Corporate Trust from 2000 – 2017. Stuart joined The Bank of New York Mellon Trust Company, N.A. in 2017. He is a graduate of the University of California, Berkeley and resides in Los Angeles

7) Provide a statement of assurance that the individuals identified in item #6 will be available to assist the City with the successful completion of its transaction, and on-going maintenance of its proposed bonds. Include a statement that at least one of the individuals identified will be (a) available for all meetings necessary to review documents associated with the proposed financing, and (b) serve as the relationship manager to the City.

Please be assured that Juliana Haidary will be available to assist the City with the successful completion of this transaction and, on-going maintenance of its proposed bonds. Juliana will be available for meetings via conference call and video call.

In coordination with Juliana, Stuart Weiss will be the relationship manager to the City.

8) Provide a description of your institution's investment services as it relates to the investment of deposits for the payment of debt service on the bonds of the City.

As Paying Agent, we will notify the City of an upcoming distribution and the amount of funds required to meet the obligation. Debt Service Payments are wired to depository bondholders such as DTCC (Cede & Co.) Based on principal account values and instructions checks, or wires are remitted to individual bondholders. Bondholders are paid promptly and on time. Bondholders who remit bonds for redemption have the option of mailing certificates to our Dallas or Syracuse offices, or personally presenting bonds at the BNY Mellon window located at 101 Barclay Street between 9:00 a.m. and 3:30 p.m. The redemption area is conveniently located in the lobby level and is in compliance with Title II of the American Disabilities Act. Whether bonds are hand delivered or presented by mail, bondholders are compensated expeditiously on payment day for funded issues. If bonds or coupons are presented at our window after 11:00 a.m. payments are mailed or can be picked up the next business day. We will disburse principal and interest to registered bondholders either by check or wire transfer, and prepare and mail 1099's, 1042S's, or T5's as required. We will perform on-line detection of stopped and called items. We will maintain detailed records of all items paid by series and issue.

BNY Mellon will track and retain any unclaimed funds not eligible for escheatment based on the issuing States rules and guidelines. Funds will then be properly escheated to the State of California Comptroller.

For general obligation bonds typically the principal and interest funds are disbursed promptly and not invested otherwise. If the City requires such services, we have an array of options that are available to them.

As Registrar, we will maintain a system of record of all registered holders including name, address, tax identification (TIN) number, bonds and amounts held. At a holder's request, we will submit their payment of interest to an alternate / secondary address. We will update these records for change of addresses, transfer of ownership and solicitations for certification of tax ID numbers. We will maintain an overall proof of outstanding at the Issue and Series level and comply with Transfer Agent regulations related to turnaround of transfers and proof of Issues.

9) Describe any known or pending material change in your institution, with particular emphasis on any such changes in the corporate trust area. Discuss the effect such changes might have on your institution's ability to effectively serve as Registrar and Paying Agent for the term of the City's proposed bonds.

As one of the largest financial services institutions in the world, BNY Mellon is always looking for acquisitions to complement its multiple product lines. With regards to Corporate Trust, no other institution has demonstrated a commitment to Corporate Trust like BNY Mellon and its affiliates. In the past 17 years, BNY Mellon has acquired 48 corporate trust departments from financial institutions that wished to exit the Corporate Trust Industry. Follow us on Twitter [@BNYMellon](#) or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

We are unaware of any pending material changes at BNY Mellon and/or in our Corporate Trust Department that would affect our ability to serve the City of Piedmont as their registrar and paying agent.

10) Provide three (3) references of local governments or local governmental public trusts or authorities for which you have provided trustee, registrar and/or paying agent services since January 1, 2018. Include the name, title, and telephone number of a contact person who will be familiar with the work of both your institution and the individuals identified in item #6.

Tiffany Htwe, Investment and Finance Officer

San Mateo County Treasurer-Tax Collector

(650) 599-1239

THtwe@smcgov.org

Henry Oyekanmi, Director of Finance

City of Berkeley

(510) 981-7300

HOyekanmi@cityofberkeley.info

Bernata Slater, Chief Financial Officer

San Mateo County Community College District

(650) 358-6795

slaterb@smccd.edu

Lindsay VanMidde, Assistant Property Tax Manager

County of Sonoma

(707) 565-3279

Lindsay.VanMidde@sonoma-county.org

Patrick Gaffney, Chief Business Official

San Mateo Foster City School District

(650) 312-7274

pgaffney@smfc.k12.ca.us

11) Each proposal must contain a statement of fees and estimated expenses to provide the services described herein with respect to the proposed bonds of the City. Please complete Attachment I. The statement of fees and expenses should include the following information:

Acceptance Fee:	Stated as fixed dollar. The acceptance fee must include your institution's expenses and any fees or expenses of your counsel.
Annual Administration Fee:	Stated as fixed dollar amount or, in the alternative, as a percentage of the principal amount of Outstanding Bonds, if the fee is to be based on the declining principal balance of the Bonds.
Investment Transaction Charges:	Describe any fees, commissions, or other charges (direct or indirect) for investment transactions. Please do not include pre-printed materials, i.e. prospectus in the proposal submission.
Additional Charges:	Detail any additional charges your institution proposes to charge in connection with the services described herein.

Please see Attachment I, as well as the BNY Mellon Fee Schedule.

ATTACHMENT I

CITY OF PIEDMONT, CALIFORNIA TRUSTEE, REGISTRAR AND PAYING AGENT FEE PROPOSAL

1. Acceptance Fee Waived
- 2a. Flat Annual Fee Method \$450 Annually
(State Flat Annual Fee)

AND/OR

- 2b. Annual Fee Expressed as a Percentage of Declining Principal Balance N/A
(State Percentage)
- Total Fee Quote \$450 Annually

3. Investment Transaction Charges: Please describe below any fees, commissions, or other charges (direct or indirect) for investment transactions or drawings under bank facilities issued in support of the Bonds.

No fees or commissions for transactions.

4. Additional Charges: Detail any additional charges your institution proposes to charge in connection with the services described herein.

Cost of Issuance - If applicable \$500

Name of Institution: The Bank of New York Mellon Trust Company, N.A.

Submitted By: Stuart Weiss

Title: Vice President

Date: August 27, 2021

NOTE: DO NOT PROVIDE RANGES FOR ANY REQUESTED ITEM.



City of Piedmont, California

Date: August 27, 2021

Presented By:

BNY Mellon Corporate Trust

Fee Schedule for the following:

- **Paying Agency**
- **Registrar**

Fee Schedule

Subject to the Terms and Disclosures below, upon appointment of The Bank of New York Mellon Trust Company, N.A. (“BNYM” or “us” or “affiliates” or “subsidiaries”) in the roles as outlined within this Fee Schedule (this “Fee Schedule”), City of Piedmont, California (“Client”) shall be responsible for the payment of the fees, expenses and charges as set forth herein. Fees are payable or accrue at the time of the execution of the governing documents (the “Transaction Documents”) in connection with the closing of the transaction (the “Transaction”) which is the subject of this Fee Schedule.

General Fees

Acceptance Fee

Waiver

A one-time charge covering the Bank Officer’s review of governing documents, communication with members of the closing party, including representatives of the issuer, investment banker(s) and attorney(s), establishment of procedures and controls, set-up of trust accounts and tickler suspense items and the receipt and disbursement/investment of bond proceeds. This fee is payable on the closing date.

Annual Paying Agent Fee

\$450

An annual fee covering the duties and responsibilities related to account administration, which may include maintenance of accounts on various systems and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.

Activity Fees

OTHER SERVICES/ACTIVITY CHARGES WILL BE CHARGED, IF APPLICABLE

Cost of Issuance	\$500
Trustee Reports/Statement	Included

Extraordinary Services/Miscellaneous Fees

The charges may be hourly or fixed for performing extraordinary or other services not contemplated at the time of the execution of the Transaction Documents or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNY Mellon’s sole discretion. If it is contemplated that BNY Mellon hold/and or value collateral, additional acceptance, administration and counsel review fees will be applicable to the agreement governing such services. If the bonds are converted to certificated form, additional annual fees will be charged for any applicable tender agent and/or registrar/paying agent services. Additional information will be provided at such time. If all outstanding bonds of a series are defeased or redeemed, or BNY Mellon is removed as paying agent prior to the maturity of the bonds, a termination fee may be assessed at that time.

Miscellaneous fees and expenses may include, but are not necessarily limited to supplemental agreements, tender processing, the preparation and distribution of sinking fund redemption notices, optional redemptions, failed remarketing processing, preparation of special or interim reports, UCC filing fees, auditor confirmation fees, wire transfer fees, Letter of Credit drawdown fees, transaction fees to settle third-party trades, and reconciliation fees to balance trust account balances to third-party investment provider statements. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed. FDIC or other governmental charges will be passed along as incurred. Reimbursement will be required for any out-of-pocket expenses and will be invoiced to the Client at cost.

Negative Interest Rates – Charges

With respect to any funds invested or deposited by BNYM in connection with the Transaction, if: (i) any recognized overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or (ii) any market counterparty or other institution applies a negative interest rate or any related charge to any account or balance of

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. Except as otherwise provided by law, this document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon’s name or trademarks without its prior written permission.

BNYM or any account or balance opened for You by BNYM, BNYM may apply a charge to any of Your accounts or balances. BNYM will give You prompt written notice of the application of any such charges. You acknowledge and agree that the application of such a charge by BNYM may cause the effective interest rate applicable to Your account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in clauses (i) and (ii) above may be positive.

Terms and Disclosures

General

BNYM's final acceptance of its appointment pursuant to the Transaction Documents is subject to the full review and approval of all related documentation and standard Know Your Client procedures. In the event that this Transaction does not proceed with BNYM in the roles contemplated by this Fee Schedule and the Transaction Documents, Client will be responsible for payment of any external counsel fees and expenses and out-of-pocket expenses which BNYM may have incurred up to and including the termination date.

Client shall be responsible for filing any applicable information returns with the U.S. Department of Treasury, Internal Revenue Service in connection with payments made by BNYM to vendors who have not performed services for BNYM's benefit under the various bond or note issuances or other undertakings contemplated by this Fee Schedule.

The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Client (which, for purposes of this provision, includes the name and business contact information for Client employees and representatives) and the accounts established pursuant to the Transaction Documents ("Client Information") and (ii) use third party service providers to store, maintain and process Client Information ("Outsourced Functions"). Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Client consents to the disclosure of, and authorizes BNY Mellon to disclose, Client Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Mellon Group may aggregate Client Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Client Information with Client specifically. Client represents that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Client also consents to the disclosure of Client Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.

Client agrees that BNYM shall have no obligation to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties as paying agent or registrar in connection with the Transaction, or in the exercise of any of its rights or powers in connection therewith, if it shall have reasonable grounds for believing that repayment of such funds is not assured to it. Client agrees to reimburse BNYM for extraordinary expenses incurred by it in connection with the Transaction to the extent permitted by law.

Please note the fees quoted in this Fee Schedule are based upon the information available at the present time. Further quotes may be provided once the structure of the deal has been finalized. Annual Fees cover a period of one year and any portion thereof and are not subject to pro-ration. Fees may be subject to adjustment during the life of the engagement.

Advance Fees

BNYM requires that Client agree to the fees quoted in this Fee Schedule prior to the commencement of any work or the provision of any services by BNYM in relation to the Transaction. In the event that BNYM provides any services to Client prior to your agreement to the fees quoted herein, the commencement of such work or the provision of such services shall not be deemed to constitute a waiver of the fees listed in this Fee Schedule. BNYM reserves the right to cease providing services until such time as Client agrees to the fees quoted herein. BNYM reserves the right to request that any and all fees due and payable pursuant to this

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Fee Schedule and related in any way to the Transaction are paid in advance (either in whole or in part) prior to the provision of any services.

OFAC Sanctions

You covenant and represent that neither You nor any of Your affiliates, subsidiaries, directors or officers are the target or subject of any sanctions enforced by the US Government, (including, the Office of Foreign Assets Control of the US Department of the Treasury (“OFAC”)), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively “Sanctions”). You covenant and represent that neither You nor any of Your affiliates, subsidiaries, directors or officers will use any payments made pursuant to the Transaction: (i) to fund or facilitate any activities of or business with any person who, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business with any country or territory that is the target or subject of Sanctions, or (iii) in any other manner that will result in a violation of Sanctions by any person.

Acceptance/Revocation of Offer

You may agree to the fees quoted herein by (i) executing this Fee Schedule and returning it to us, (ii) closing the Transaction, or (iii) instructing us or continuing to instruct us after receipt of this Fee Schedule. Upon the earlier to occur of (i), (ii) and (iii), the fees quoted herein shall be deemed accepted by you. If you agree to the fees quoted herein, the terms of this Fee Schedule shall supersede any prior fees quoted with respect to the Transaction. BNYM may revoke the terms of this Fee Schedule if the Transaction does not close within three months from the date of this Fee Schedule. Should the Transaction fail to close for any reason, a termination fee equal to BNYM’s Acceptance Fee, any external counsel fees, expenses and disbursements and all out-of-pocket expenses will apply.

Confidential Information

Except as otherwise provided by law, all information provided to Client by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM’s prior written approval.

Client Notice Required By the USA Patriot Act

To help the U.S. government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify and record information that identifies each person (whether an individual or organization) for which a relationship is established. When Client establishes a relationship with BNYM, we will ask Client to provide certain information (and documents) that will help us to identify Client. We will ask for your organization’s name, physical address, tax identification or other government registration number and other information that will help us identify Client. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

The City of Piedmont, California hereby accepts and agrees to the fees and the terms and conditions set forth in this Fee Schedule.

By: _____

Name: _____ *(Print name in full)*

Title: _____

Date: _____

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Issuer	Issue Size	Security Type
El Cajon Successor Redev Agcy	38.82	Revenue Bond
Carson Redev Successor Agency	8.94	Revenue Bond
Carson Redev Successor Agency	12.78	Revenue Bond
Concord City-California	7.92	Revenue Bond
Golden State Tobacco Sec Corp	110.54	Revenue Bond
Modesto City-California	11.34	Revenue Bond
Placer Co Water Agency	23.24	Revenue Bond
Atwater City-California	16.26	Revenue Bond
Golden Empire Schools Fin Auth	99.67	Revenue Bond
Orange Co (Santa Ana) USD	19.17	Revenue Bond
California Statewide CDA (CSCDA)	91.10	Revenue Bond
Oakland Joint Powers Fin Auth	60.03	Revenue Bond
San Mateo Co Jt Powers Fin Auth	6.05	Revenue Bond
Regents of the Univ of California	281.90	Revenue Bond
Regents of the Univ of California	945.81	Revenue Bond
Santa Clarita Public Fin Auth	4.01	Revenue Bond
Santa Clarita Public Fin Auth	4.02	Revenue Bond
Santa Clarita Public Fin Auth	7.28	Revenue Bond
Santa Monica Public Finance Auth	34.22	Revenue Bond
Regents of the Univ of California	95.08	Revenue Bond
Regents of the Univ of California	736.22	Revenue Bond
Humboldt Co (So Humboldt) JUSD	3.71	Revenue Bond
Orange Co (Irvine) USD	38.47	Revenue Bond
Salinas Public Facilities Inc	48.83	Revenue Bond
Palmdale Water Dt Pub Fin Auth	4.38	Revenue Bond
Palmdale Water Dt Pub Fin Auth	8.43	Revenue Bond
Golden State Tobacco Sec Corp	424.65	Revenue Bond
Golden State Tobacco Sec Corp	1,250.00	Revenue Bond
Madera Successor Redev Agcy	4.07	Revenue Bond
Madera Successor Redev Agcy	31.45	Revenue Bond
El Monte Water Authority	18.88	Revenue Bond
Madera USD	75.07	Revenue Bond
Golden State Tobacco Sec Corp	710.91	Revenue Bond
Cudahy Successor Agcy Comm Dev	14.03	Revenue Bond
Alhambra Fac Fin Auth	8.01	Revenue Bond
Santa Clara Co Financing Auth	164.36	Revenue Bond
California Comm College Fin Auth	123.41	Revenue Bond
Imperial Co Local Trans Auth	16.77	Revenue Bond
Tulare Co (Farmersville) USD	4.495	Revenue Bond
San Francisco City & Co Airport Comm	1176.215	Revenue Bond
San Francisco City & Co Airport Comm	498.6	Revenue Bond
San Francisco City & Co Airport Comm	88.75	Revenue Bond
Nevada Co Finance Authority	17.06	Revenue Bond
Orange Co Local Transport Auth	376.69	Revenue Bond
Oroville City-California	195.63	Revenue Bond
Bay Area Toll Authority (BATA)	126.24	Revenue Bond
San Francisco City & Co Airport Comm	16.43	Revenue Bond

Issuer	Issue Size	Security Type
San Francisco City & Co Airport Comm	108.57	Revenue Bond
Salinas City-California	2.675	Revenue Bond
Regents of the Univ of California	114.41	Revenue Bond
Regents of the Univ of California	538.65	Revenue Bond
California Educational Facs Auth	441.83	Revenue Bond
Los Angeles Co Metro Trans Auth	57.745	Revenue Bond
Hawaiian Gardens Succes Redev Agcy	25.99	Revenue Bond
Hawaiian Gardens Succes Redev Agcy	3.55	Revenue Bond
Huron Redevelopment Agency	2.915	Revenue Bond
Anaheim Public Financing Auth	57.29	Revenue Bond
Anaheim Public Financing Auth	111.775	Revenue Bond
San Mateo-Foster City Pub Fin Auth	270	Revenue Bond
Placer Co (Rocklin) USD	6.75	Revenue Bond
Madera Public Finance Auth	4.005	Revenue Bond
California Enterprise Dev Auth	19.69	Revenue Bond
Santa Clarita Public Fin Auth	25.85	Revenue Bond
Imperial Irrigation Dt	65.245	Revenue Bond
Richmond City-California	22.51	Revenue Bond
Richmond City-California	66.075	Revenue Bond
East Bay MUD	161.82	Revenue Bond
Carson Public Finance Auth	18.975	Revenue Bond
California Municipal Fin Auth	31.61	Revenue Bond
South Bayside Waste Mgmt Auth	16.915	Revenue Bond
South Bayside Waste Mgmt Auth	31.86	Revenue Bond
Ross Valley Public Fin Auth	11.12	Revenue Bond
Ross Valley Public Fin Auth	20.335	Revenue Bond
Scotts Valley Pub Fin Auth	4.49	Revenue Bond
Scotts Valley Pub Fin Auth	4.97	Revenue Bond
Norwalk Comm Facs Fin Auth	19.685	Revenue Bond
Brea City-California	23.475	Revenue Bond
California Statewide CDA (CSCDA)	13.785	Revenue Bond
Novato Sanitary Dt	46.145	Revenue Bond
Bay Area Toll Authority (BATA)	203.27	Revenue Bond
Brea Public Fin Auth	6.82	Revenue Bond
San Mateo Co (Jefferson) UHSD	4.225	Revenue Bond
San Mateo Co (Jefferson) UHSD	2.39	Revenue Bond
Aliso Viejo City-California	12.25	Revenue Bond
Lammersville Schools Finance Authority	13.375	Revenue Bond
Lammersville Schools Finance Authority	17.925	Revenue Bond
San Francisco City & Co Airport Comm	1040.48	Revenue Bond
San Francisco City & Co Airport Comm	106.925	Revenue Bond
San Francisco City & Co Airport Comm	41.77	Revenue Bond
Petaluma City-California	60.775	Revenue Bond
Orange Co (Irvine) USD	86.845	Revenue Bond
Sierra View Local Health Care Dt	30.5	Revenue Bond

Issuer	Issue Size	Security Type
Marysville-California	15	General Obligation
Rancho Calif Wtr Dt Fin Auth	118.09	Revenue Bond
Bay Area Toll Authority (BATA)	103.535	Revenue Bond
California Statewide CDA (CSCDA)	49.73	Revenue Bond
Placer Co (Rocklin) USD	25.16	Revenue Bond
Turlock Irrigation Dt	92.655	Revenue Bond
Turlock Irrigation Dt	137.15	Revenue Bond
Walnut Energy Center Authority	61.315	Revenue Bond
Calexico Comm Redev Successor Agy	11.085	Revenue Bond
Exeter-California	4.36	Revenue Bond
Pasadena City-California	131.805	Revenue Bond
Tustin City-California	14.91	Revenue Bond
Riverside Co Public Fin Authority	13.705	Revenue Bond
San Mateo-Foster City Pub Fin Auth	3.455	Revenue Bond
San Mateo-Foster City Pub Fin Auth	42.31	Revenue Bond
Los Angeles Dept of Airports	738.575	Revenue Bond
Regents of the Univ of California	850	Revenue Bond
Regents of the Univ of California	74.605	Revenue Bond
Regents of the Univ of California	74.605	Revenue Bond
Regents of the Univ of California	300	Revenue Bond
Regents of the Univ of California	650	Revenue Bond
South San Francisco Pub Fin Corp	43.905	Revenue Bond
Vernon City-California	71.99	Revenue Bond
California Health Facs Fin Auth	170.12	Revenue Bond
Goleta Redevelopment Agency	11.76	Revenue Bond
Lynwood Public Utility Auth	20	Revenue Bond
Carpinteria Valley Water Dt	3.72	Revenue Bond
Carpinteria Valley Water Dt	19.425	Revenue Bond
South Placer Wastewater Authority	46.92	Revenue Bond
California Municipal Fin Auth	18.425	Revenue Bond
Orange Co (Irvine) USD	94.985	Revenue Bond
Vernon City-California	14.84	Revenue Bond
Santa Cruz Co Cap Fin Auth	9.49	Revenue Bond
Santa Cruz Co Cap Fin Auth	4.495	Revenue Bond
Orange Co (Irvine) USD	6.4	Revenue Bond
Montebello City-California	153.425	General Obligation
West Hollywood Public Fin Auth	14.35	Revenue Bond
West Hollywood Public Fin Auth	65.785	Revenue Bond
California Co Tobacco Sec Agency	83.629	Revenue Bond
California Co Tobacco Sec Agency	265.955	Revenue Bond
Carson City-California	108.02	General Obligation
Transbay Joint Powers Auth	28.355	Revenue Bond
Transbay Joint Powers Auth	242.85	Revenue Bond
San Diego Convention Ctr Expansion Fin	70.75	Revenue Bond
Oceanside City-California	25.275	Revenue Bond

Issuer	Issue Size	Security Type
Placer Co (Roseville) JUHSD	61.15	Revenue Bond
Regents of the Univ of California	826.195	Revenue Bond
Regents of the Univ of California	600	Revenue Bond
Regents of the Univ of California	400	Revenue Bond
Regents of the Univ of California	500	Revenue Bond
Regents of the Univ of California	323.335	Revenue Bond
Calexico Financing Authority	38.97	Revenue Bond
Reedley Success Redev Agcy	4.23	Revenue Bond
Glendale City-California	36.64	Revenue Bond
San Mateo Co (Jefferson) UHSD	40.875	Revenue Bond
San Francisco City & Co Airport Comm	130.18	Revenue Bond
San Francisco City & Co Airport Comm	109.52	Revenue Bond
San Francisco City & Co Airport Comm	51.575	Revenue Bond
California Poll Control Fin Auth	35	Revenue Bond
Salinas Facilities Fin Auth	23.345	Revenue Bond
Salinas Facilities Fin Auth	4.04	Revenue Bond
Sacramento Co-California	79.705	Revenue Bond
Santa Margarita/Dana Pt Auth	53.895	Revenue Bond
Los Angeles Dept of Airports	678.5	Revenue Bond
Los Angeles Dept of Airports	380	Revenue Bond
Hastings Campus Hsg Auth	333.11	Revenue Bond
Hastings Campus Hsg Auth	27.606	Revenue Bond
La Habra City-California	11.835	Revenue Bond
Montecito Water Dt	11.39	Revenue Bond
San Mateo Co Transportation Auth	50	Revenue Bond
San Mateo Co Transportation Auth	50	Revenue Bond
Roseville Finance Authority	34.77	Revenue Bond
California Co Tobacco Sec Agency	16.861	Revenue Bond
California Co Tobacco Sec Agency	35.645	Revenue Bond
California Co Tobacco Sec Agency	49.775	Revenue Bond
San Bernardino Successor Redev Agy	3.44	Revenue Bond
San Bernardino Successor Redev Agy	23.965	Revenue Bond
Stanislaus Co (Ceres) USD	8.92	Revenue Bond
California Statewide CDA (CSCDA)	37.275	Revenue Bond
Torrance Joint Powers Finance Authority	349.515	Revenue Bond
Fresno Joint Power Fin Auth	17.145	Revenue Bond
California Health Facs Fin Auth	577.06	Revenue Bond
Sonoma-Marin Area Rail Transit Dt	122.97	General Obligation
Newport Beach City-California	7.86	Revenue Bond
California Co Tobacco Sec Agency	37.4	Revenue Bond
California Co Tobacco Sec Agency	22.558	Revenue Bond
California Enterprise Dev Auth	55.94	Revenue Bond
Rancho Calif Wtr Dt Fin Auth	46.395	Revenue Bond
Cathedral City Successor Redev Agy	45.035	Revenue Bond
Cathedral City Successor Redev Agy	5.905	Revenue Bond

Issuer	Issue Size	Security Type
Foothill/Eastern Transp Corridor Agy	187.585	Revenue Bond
Foothill/Eastern Transp Corridor Agy	52.945	Revenue Bond
Monterey Co (Alisal) USD	8.775	Revenue Bond
Brooktrails Twp Comm Svcs Dt	2.955	General Obligation
No California Tobacco Sec Auth	159.625	General Obligation
No California Tobacco Sec Auth	71.081	Revenue Bond
Millbrae City-California	20.015	Revenue Bond
Regents of the Univ of California	1089.33	Revenue Bond
Regents of the Univ of California	290.23	Revenue Bond
Los Angeles (Hacienda-La Puente) USD	46.915	Revenue Bond
Marin Co (Larkspur-Corte Madera) SD	39.685	Revenue Bond
Marin Co (Larkspur-Corte Madera) SD	7.725	Revenue Bond
California Public Finance Authority	73.89	General Obligation
California Public Finance Authority	30.31	General Obligation
California Public Finance Authority	5.49	Revenue Bond
Yuba Co (Marysville) JUSD	34.185	Revenue Bond
Regents of the Univ of California	739.045	Revenue Bond
Regents of the Univ of California	392.945	Revenue Bond
Regents of the Univ of California	411.71	Revenue Bond
Chino Public Financing Auth	43.77	Revenue Bond
Woodside Fire Protection Dt	13.155	Revenue Bond
Torrance Joint Powers Finance Authority	39.725	Revenue Bond
Sonoma Valley Unified School District	30	General Obligation
Belmont-Redwood Shores School District	3.09	General Obligation

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City of Piedmont, California

Response to Proposal for Underwriting Services #2021-001
General Obligation Bonds

August 27, 2021

BofA Securities, Inc.
555 California Street, Suite 1160
San Francisco, California 94104



August 27, 2021

Michael Szczech, Finance Director
City of Piedmont
mszczech@piedmont.ca.gov

Michael Newman
Hilltop Securities Inc.
michael.newman@hilltopsecurities.com

Dear Michael and Michael:

On behalf of BofA Securities, Inc. (“BofA Securities” or “BofA”), we are pleased to submit our proposal to provide underwriting services for the City of Piedmont’s (the “City”) General Obligation Bonds (“Bonds”). BofA is well qualified to provide the City with comprehensive banking services as well as the marketing and pricing leadership of our top-ranked underwriting desk. In particular, we would like to highlight the following qualifications:

Industry Leading Marketing and Distribution

- BofA consistently has ranked as the #1 senior manager of municipal bonds — for negotiated as well as competitive underwriting – in each of the past nine years
- BofA is a leading senior manager on national and California G.O. financings and has led recent transactions for the City and County of San Francisco, County of Alameda and Los Angeles Unified School District
- BofA has extensive experience working on inaugural California G.O. and general fund credits; notably, we have helped the cities of Foster City, Santa Ana and El Cajon obtain strong inaugural ratings during the COVID-19 pandemic
- Our underwriting desk has a proven willingness to commit capital to support our clients’ transactions with \$12.2 billion in excess net capital available for municipal underwriting (as of June 30, 2021)

Experienced Team of Banking and Marketing Professionals

- BofA’s team includes a deep bench of bankers who have a long history of working on California city and county G.O. and general fund-backed financings and is augmented by dedicated underwriting, credit/investor relations and retail marketing support

Comprehensive Approach

- We present structuring options to help manage original issue premium and minimize negative arbitrage in the City’s financing, such as through the use of a short taxable note, low coupons and/or a short call feature
- Our team will help advocate to achieve a ‘AA+’ or ‘AAA’ G.O. bond rating – drawing on all the City’s positive attributes, such as its stable tax base, high wealth indicators and strong management
- We recommend that the City remain flexible with respect to timing the sale in light of potential future Fed actions, global economic uncertainty and concerns regarding COVID-19 variants

Local Presence and Commitment

- BofA has a strong local presence with 3 retail offices with 74 retail financial advisors in the County of Alameda in addition to our wholly-owned Merrill wealth management network (78 California offices with 1,794 retail financial advisors)

We appreciate the opportunity to present our qualifications and recommendations for this important financing for the City. Please feel free to contact us if you have any questions about our proposal or would like any additional information.

Sincerely,



Bryon Rockwell, Managing Director
213-345-9585
bryon.rockwell@bofa.com



Holly Vocal, Managing Director
415-913-2327
holly.vocal@bofa.com

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Appendix

- A. Financing Team Resume
- B. BofA California Long-Term G.O. Bonds Financing Experience (2018 - Present)
- C. Breakdown of Proposed Underwriter Spread
- D. Firm Inquiries, Investigations or Litigations

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We do not provide legal, compliance, tax or accounting advice. If any person uses or refers to any such tax statement in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then the statement expressed herein is being delivered to support the promotion or marketing of the transaction or matter addressed and the recipient should seek advice based on its particular circumstances from an independent tax advisor. Notwithstanding anything that may appear herein or in other materials to the contrary, the Company shall be permitted to disclose the tax treatment and tax structure of a transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure, but without disclosure of identifying information or any nonpublic commercial or financial information (except to the extent any such information relates to the tax structure or tax treatment)) on and after the earliest to occur of the date of (i) public announcement of discussions relating to such transaction, (ii) public announcement of such transaction or (iii) execution of a definitive agreement (with or without conditions) to enter into such transaction; provided, however, that if such transaction is not consummated for any reason, the provisions of this sentence shall cease to apply.

2. Firm and Primary Contact Information

Provide the firm name, address, telephone, facsimile number, and e-mail address of the primary contact. Where personnel in more than one office are to be involved in the financing, please indicate which office will be primary and which will be secondary. Include a brief description of the firm, covering ownership, organizational structure, size, and capitalization (total capital, equity capital and excess net capital).

Primary Contacts. Bryon Rockwell, Managing Director and Co-Head of BofA’s Western Region Public Finance Group, and Holly Vocal, Managing Director, will serve as the primary contacts for the City’s offering. Their contact information is provided below. Bryon and Holly are well versed on the key structuring, credit and marketing considerations for California G.O. and general fund obligations, as discussed further below.

Bryon Rockwell
 Managing Director
 Public Finance Investment Banking
 BofA Securities, Inc.
 Bank of America, N.A.

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BoFA SECURITIES 

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 Managing Director
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BoFA SECURITIES 

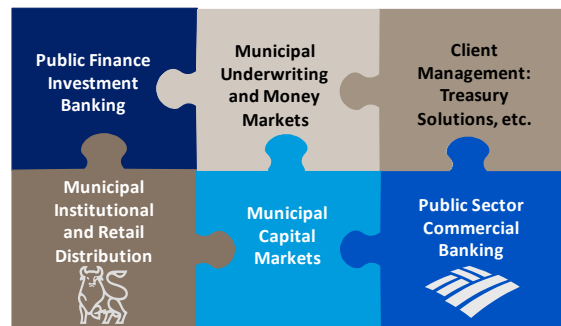
Firm Overview. Bank of America Corporation ("Bank of America" or "BAC") is a C Corporation with over 200,000 employees globally and offers a full range of banking, investing, asset management and other financial and risk management products and services. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes – serving individuals, small and middle market businesses, large corporations and institutions (including our municipal clients) around the world.

Lines of Business



BoFA Securities is the brand name for the institutional businesses conducted through the broker-dealer BofA Securities, Inc. ("BofA Securities" or "BofA"), which houses a suite of investment banking and underwriting services for municipal issuers. Commercial bank services are provided by our affiliate, Bank of America, N.A. ("BANA"). BofA is the successor entity for the institutional business of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"), which was incorporated in 1958 and was a municipal broker-dealer for approximately 60 years. Through Merrill, BofA continues to operate its retail wealth management business, which has over 17,000 retail financial advisors and client balances of approximately \$3 trillion.

Municipal Banking and Markets Group. BofA Securities’ Municipal Banking and Markets group ("MBAM") is a fully integrated division that includes public finance investment banking, sales, trading, underwriting as well as commercial bank products and services offered through BANA. This single, coordinated business unit with approximately 370 personnel provides our municipal clients with a central platform for their capital raising, credit and treasury needs. ***This integrated platform would facilitate streamlined coverage for the City with public finance bankers coordinating the delivery of both capital markets and bank/on-balance sheet products.*** We believe this is a distinguishing factor and one that separates BofA from its peers.



Capital Strength. BofA is one of the best capitalized broker-dealers in the municipal securities industry, with **\$12.2 billion of excess net capital** that, net of required reserves, supports municipal underwriting. For your reference, the adjacent table summarizes BofA's capital position as of June 30, 2021. BofA has a long-standing practice of actively using capital to support our municipal issuer clients under all market conditions. The combination of our balanced distribution platform providing multiple outlets to place bonds and our strong capital base reduces our underwriting risk thereby permitting us to support our clients, as appropriate, even in the most challenging of markets.

BofA's Capital Position as of June 30, 2021

Total Capital ⁽¹⁾	\$234,484
Equity Capital ⁽¹⁾	178,818
Net Capital ⁽²⁾	15,239
Excess Net Capital ⁽²⁾	12,211

⁽¹⁾ Reflects Bank of America Corporation.

⁽²⁾ Reflects BofA Securities, Inc.

3. Proposed Team

Provide a list of the individuals who will be assigned to work with the City on the proposed financing. Describe the role of each individual and include the telephone, facsimile number, and e-mail address of each, and experience with similar transactions. Include a brief (not to exceed one page) resume of each individual's education, training and experience.

Dedicated Financing Team. BofA offers the City a deep bench of California-based bankers as well as underwriters, credit strategists and a retail marketing specialist.

- **Core Banking Team:** **Bryon Rockwell**, *Managing Director*, will serve as lead banker and resource manager. Bryon will ensure that the breadth and depth of the firm's resources and key personnel will be at the City's disposal. His experience includes serving as senior manager on G.O. bond financings throughout California and other western region states. **Holly Vocal**, *Managing Director*, will serve as co-lead banker and day-to-day project manager. Holly brings over 17 years of experience working with California cities and counties. Holly has served as lead banker on previous G.O. and general fund-backed financings for the State of California, the cities of Foster City and San Leandro, and the counties of San Francisco, Sacramento, Riverside and Santa Barbara. **Doug Baron**, a *Director* in Los Angeles, will provide transactional and execution banking for the City relying on his experience with G.O. bonds as an issuer (Los Angeles County) as well as a banker. **Kirubiel Ayele**, *Associate*, will provide execution and analytical support for the City's financing. Kirubiel has extensive experience working with a variety of California clients, including G.O. bond financings for issuers such as City of Foster City. **Samantha Fong**, *Analyst*, will provide additional banking support.
- **Credit Specialist:** Complementing our banking and underwriting/trading teams is **Brad Gewehr**, *Senior Vice President*, who is veteran credit strategist and have broad experience working with investors and rating agencies on credit-related issues. He will provide guidance in the development of the City's credit strategy and rating presentation.
- **Underwriting Team:** **Brendan Troy** and **Catherine Crews**, *Managing Directors*, will serve as the firm's lead fixed rate underwriters. They oversee the firm's sales and capital commitment efforts for a great number of issuers both in California and nationally. Importantly, their California underwriting experience covers the State, counties, cities and school districts, among others. Additionally, **Grace Gaoen**, *Director* will serve as a retail marketing liaison to help led our retail marketing efforts.

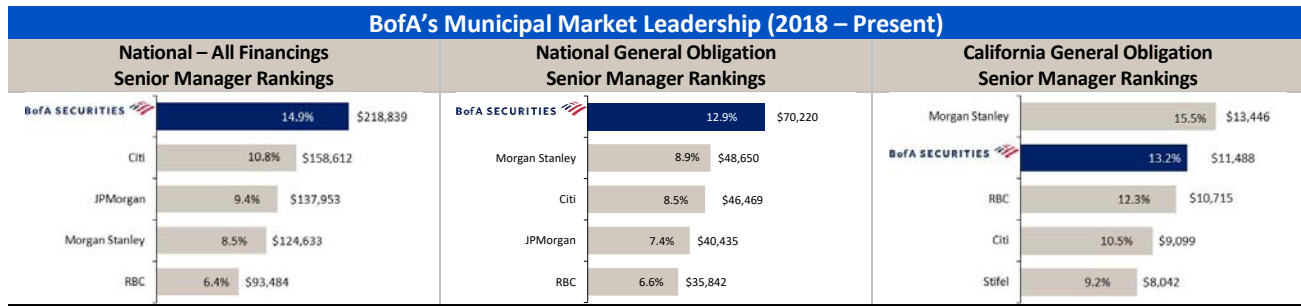
Please see **Appendix A** for our team's brief resume.

4. Relevant Experience

Provide a list of your firm's experience with similar transactions, with an emphasis on those involving the individuals that will be assigned to this transaction.

Municipal Market Leadership. BofA is well suited to serve as senior manager for the City's proposed financing on the basis of three core tenets: (i) we are the top senior manager of national municipal financings; (ii) we offer industry-leading G.O. financing experience across a variety of issuers and regions; and (iii) we are a top underwriter of G.O. bonds within California. Our leadership within each of these three important areas is detailed in the ranking tables and bullet points as follows.





Source: Bloomberg as of 8/25/2021. Rankings reflect true economics. Figures within bars denote market share. Par amount in millions. Data from 1/1/18 to 8/25/21.




- Leading National Underwriter:** As the leading underwriter of municipal bonds nationally and in the Western states, BofA is well-versed in executing transactions across a variety of industries, issuer types and security types. Notably, BofA has been the #1 ranked senior manager of national municipal financings for both negotiated and competitive sales for the last nine consecutive years. By virtue of selling more bonds than any other firm, we have a unique insight into the most up-to-date market intelligence on buyer preferences and pricing levels.
- Leading National General Obligation Bond Underwriter:** BofA is a top senior manager of national G.O. bonds. Since January 1, 2018, BofA has brought to market 401 G.O. bond financings for a total par amount of over \$70.2 billion nationally, comprising 12.9% of total par issued during this timeframe. The breadth of our senior managed experience spans notable cities and counties nationally such as the City and County of Honolulu, the Cities of New York, Atlanta, and Chicago among others all the way to state-level issuers such as California, Hawaii, Oregon, Washington, Massachusetts, Illinois and North Carolina among others.
- Leading California General Obligation Bond Underwriter:** Since January 1, 2018, BofA also has ranked as a top underwriter of California G.O. bonds, having senior-managed over \$11.4 billion in par across 35 issues. We have senior-managed G.O. bond issues for the State of California, County of Alameda, City and County of San Francisco, Los Angeles Unified School District, Santa Clara Unified School District, West Contra Costa Unified School District, and Hayward Unified School District among many others.

The table in **Appendix B** summarizes our California G.O. bond financing experience from 2018 to present.

5. References

Provide three (3) references from the transactions listed in item #4. The references should be the individual with whom your firm worked most closely on the transaction. For each reference, provide the individual's name, title, mailing address, email, and telephone number. Please provide references that are familiar with the work of the individuals who will be assigned to this transaction.

BofA's strength in the municipal market is not only evident in the firm's strong underwriting resume, but also in the strength of our relationships with our issuer clients. Provided below are three references for municipal clients for whom BofA provided similar services.

BofA's Financing Team References		
		
Edmund Suen <i>Finance Director</i> 601 Foster City Blvd. Foster City, CA 94404 (650) 286-3265 esuen@fostercity.org	Anna Van Degna <i>Public Finance Director</i> 1 Dr. Carlton B. Goodlett Place City Hall, Room 336 San Francisco, CA 94102 (415) 554-5956 anna.vandegna@sfgov .org	Daniel Wiles <i>Assistant Treasurer & Tax Collector</i> 500 West Temple Street, Room 432 Los Angeles, CA 90012 (213) 974-2310 dwiles@ttc.lacounty.gov
\$85 million General Obligation Bonds, Series 2020 - Sole <i>(Team: Holly, Kirubiel & Samantha)</i>	\$86.9 million General Obligation Bonds, Series 2021-R-2 - Senior \$49.7 million Taxable General Obligation Bonds, Series 2020A - Senior <i>(Team: Bryon, Holly & Doug)</i>	Lease Revenue Bonds – Senior \$700 million Tax and Revenue Anticipation Notes- Senior <i>(Team: Holly, Doug & Kirubiel)</i>



6. Issues or Concerns Regarding Transaction

Identify any issues or concerns, if any, relating to the proposed issuance of General Obligations Bonds by the City and describe how each could be addressed by the City.

Potential Issues or Concerns. We believe that the City's proposed G.O. bonds present a desirable credit providing diversity to an investor's portfolio and straightforward highly rated financing in the market. As the City's underwriter, we would help the City and its financial advisor navigate any potential structuring, credit or marketing challenges. Although we do not anticipate any significant concerns, we outline a few potential issues for the City's consideration in addition to mitigating strategies.

- **Current Market Environment:** The municipal market is just coming out of a peak technical period with over \$144.7 billion of bond redemptions from June to August nationally. Though Municipal Market Data (MMD) yields are near historic lows, we may experience upward pressure on rates leading up to the City's proposed pricing in late 2021. We anticipate increasing market volatility and headwinds as a result of future Fed taper talks, uncertainty related to the global economy as well as the ongoing COVID-19 pandemic.

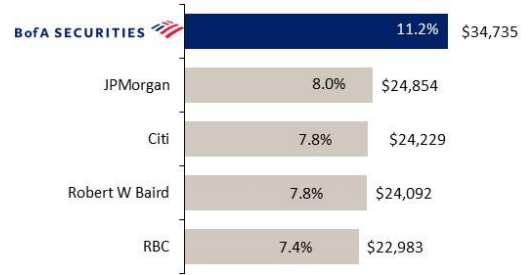
As the City's underwriter, we would strategically time the sale to account for competing supply, Fed meeting dates and other economic and market news, and we would request that the City remain as flexible as possible with respect to the pricing date. We encourage the City to proceed with preparing the financing for market (e.g. disclosure, ratings, City Council approval), but be as flexible as possible to access the market when conditions warrant.

- **First Interest Payment and Tax Roll Timing:** Careful sequencing of the first bond interest payment and tax rate levy is critical, as the City will need to ensure that property tax receipts are available to pay debt service. If the City has not placed estimated debt service on the FY 2021-22 property tax roll, the first tax rate levy for payment on the proposed G.O. bonds will occur in FY 2022-23. Therefore, property tax revenues first available for payment of debt service will be received in December 2022. Should the City issue the bonds in December 2021, it may need to defer the first interest payment or fund capitalized interest until the revenues from the tax rate levy are available.
- **Managing Original Issue Premium:** A fundamental structuring issue related to G.O. bonds is managing original issue premium ("OIP"). OIP is the amount of bond proceeds in excess of principal, resulting from the bond coupons (stated interest rates at which the issuer pays interest) being higher than the bond yields (rates of return to the investor). Any OIP generated from the G.O. bonds net of the underwriter's discount is deposited into a debt service fund or capitalized interest fund. Per tax law, the amount of OIP deposited in the debt service fund is limited three years of bond interest. To manage OIP, the City can explore the following cost-effective alternatives:
 - Short Taxable Series – The City could utilize an innovative structure which incorporates a short taxable series to manage the tax-exempt premium. An alternative to depositing OIP into a debt service fund is the issuance of a short taxable note (as short as two months). Unlike the OIP, the proceeds of the taxable note could be used to fund projects in accordance with the G.O. bond authorization, and the OIP could then be used to pay off the taxable note at maturity. This approach manages around the three year limitation on capitalized interest while still complying with federal tax code regulations, and would have numerous benefits, including: (i) reduce negative carry associated with capitalized interest, (ii) allows for an optimal transaction based on desired coupons, (iii) increases option value in the City's G.O. bond portfolio with higher premium coupons, and (iv) does not use any G.O. authorization.
 - Short Call Feature – The standard optional call feature in the market is a 10-year optional call at par. A shorter call feature (less than 10 years) can help reduce the amount of OIP generated in the financing as well as enhance the City's future restructuring flexibility. However, if the call feature is not exercised at or near the call date, a callable premium bond with a short call would be more costly to the City. Notably, a short call feature alone will not enable the City to meet the three-year OIP limit.



- **Lower Coupons** – Another strategy to reduce OIP is the effective structuring of lower coupon (sub-4%) bonds. BofA has been a leading underwriter of lower coupon tax-exempt bond structures over the last three years. In fact, we consistently have had success in selling large low-coupon California transactions. Recent notable transactions include the State of California’s March 2021 G.O. sale, where we sold a \$225 million portion of the financing with 3% and sub-3% tax-exempt coupons, and the Bay Area Toll Authority’s Series 2021 A Toll Bridge Revenue Bond sale, where we sold \$205 million of 2% tax-exempt term rate bonds. Our leadership in marketing and selling lower coupon structures will be instrumental in managing OIP for the City’s proposed bond sale.

Tax-Exempt Sub-4% Coupon Senior Manager Rankings (2018 – Present)



Source: Bloomberg as of 8/25/2021. Rankings reflect true economics. Figures within bars denote market share. Par amount in millions.

7. Ratings

Provide your thoughts with respect to the rating on the General Obligation Bonds of the City, and any steps the City can consider to achieve the highest credit rating possible on its General Obligation Bonds.

Solicit Credit Rating from Standard & Poor’s. Given the likely size of the G.O. financing and the City’s strong credit profile, BofA recommends that the City **obtain a single credit rating from Standard & Poor’s (“S&P”)**. A single credit rating would be sufficient for effectively marketing and selling the bonds in the current market and would reduce the City’s issuance costs. S&P has been the most active credit rating agency in relation to G.O. and general fund-backed financings issued by California cities.

To gauge the most likely S&P rating for the City’s offering, we ran a preliminary analysis based on key metrics for FY 2020, using S&P’s internal scorecard tool for local G.O. and issuer credit ratings. Including the proposed \$19.5 million of proposed bonds in the analysis, **we estimate that S&P would assign an implied GO rating of ‘AAA’ (or ‘AA+’ to be conservative)**, based in part on the credit strengths described below.

S&P Local GO Scorecard: City of Piedmont, CA

Factor	Weight	Score	Weighted Score	Notes
Institutional Framework	10%	3	0.3	S&P fixes this value annually for all California municipalities
Economy	30%	1	0.3	Combines (1) EBI per capita as a percentage of US (299%) and (2) real estate market value per capita (\$422k); City score may also be further improved (i.e. lowered) for participation in greater SD economy. Both ratios are taken from recent S&P school district report.
Budget Flexibility	10%	1	0.1	"Available Fund Balance" - assigned and unassigned (in some cases committed, too) as a percentage of expenditures of all operating funds. Unrestricted fund balance for all governmental funds was \$14.4 million at FYE 2020, or 39.6% of governmental fund expenditures and transfers out.
Budget Performance	10%	4	0.4	Combines - (1) General Fund net result (as a percentage of GF expenditures) and (2) total governmental funds net result. For FY 2020, the GF recorded a 1.7% deficit and governmental funds recorded a 2.8% drawdown.
Liquidity	10%	1	0.1	Two ratios: (1) total government "available cash" to total government expenditures and (2) governmental available cash to General Fund debt service. Unrestricted cash for all governmental funds was \$18.8 million at 2020 FYE, or 52% of expenditures and transfers; governmental fund debt service was \$1.1mm in FY 2020.
Debt & Contingent Liabilities	10%	1	0.1	Two ratios: (1) total governmental debt service as a percentage of total government expenditures (2.3%) and (2) net direct debt as a percentage of total governmental revenues (35%). Both would be adjusted for the pension debt, somewhat weakening this score.
Debt & Contingent Liabilities	10%	1	0.1	Two ratios: (1) total governmental debt service as a percentage of total government expenditures (2.3%) and (2) net direct debt as a percentage of total governmental revenues (35%). Both would be adjusted for the pension debt, somewhat weakening this score.
Total	90%		1.4	Translates to a "AAA" indicative rating



Credit Rating Perspectives for the City of Piedmont. In considering any credit rating approach, we would highlight the following:

- Piedmont has a strong tax base with extremely healthy socioeconomic indicators. Per capita effective buying income is three times higher than the US average, and, at over \$400k, market value per capita is well above the S&P median for “AAA” rated cities of \$267k.
- The City’s real estate market has been strong, with consistent historical assessed value growth
- The City’s revenue sources - property taxes being the primary contributor – are relatively stable; property tax revenues are estimated to increase by 3.8% in FY 2022
- The City has conservative budgeting practices and financial policies in place, including a formal general fund reserve policy that requires a minimum balance of 18% of operating expenditures and **preparation of a 10-year long-term forecast**
- Assigned and unassigned governmental fund balances at FYE 2020 were \$14.4 million, with an additional \$3.0 million in the pension stabilization fund which, while restricted, is an important additional source of financial flexibility.

Additionally, BofA would help the City address potential rating concerns and other questions. We would expect the rating discussion will likely center on (1) how the City has adapted to the budget impacts of the pandemic, with a focus on fund balances and reserves projected for fiscal year-end 2021, and (2) the City’s strategy for managing its pension liabilities.

Although the focus will be on the City’s property values and tax base, it is inevitable that the analysts will have questions on the City’s handling of the pandemic and the impact on the General Fund, and most importantly, the expectations on which the City is basing its financial plans over the next several years. The City should be prepared to address several questions, as noted in the adjacent table.

POTENTIAL COVID-19 RELATED RATING AGENCY INQUIRIES

- *How is the City handling the COVID-19 pandemic?*
- *What is the current ongoing and expected long-term cost of dealing with COVID-19?*
- *What were the results for FY 2020-21 and the status of the FY 2021-22 Budget?*
- *What flexibility does the City have to manage expenses?*
- *What does the City expect in its long-term forecast?*

Furthermore, the City should be prepared to discuss its plans to address growing pension liabilities. We would highlight the City’s efforts to study its long-term pension costs and take action, such as setting aside funds in a pension stabilization reserve.

BofA’s Dedicated Credit Team. BofA’s credit and investor relations team, led by Brad Gewehr, will be available to assist with the development of the City’s rating presentation. BofA has helped to successfully launch a number of inaugural G.O. and General Fund credits for municipal issuers. Recently, BofA’s team assisted in obtaining strong inaugural credit ratings for the City of Foster City’s 2020 G.O. Bonds, City of El Cajon’s 2021 Pension Obligation Bonds and City of Santa Ana’s 2021 Pension Obligation Bonds.

8. Marketing

Describe the approach you would use to market the General Obligation Bonds of the City.

Leveraging BofA’s Distribution Resources. Our top ranked underwriting desk will engage the full resources of our distribution system to work towards achieving the City’s pricing goals (summarized below). Our institutional distribution network consists of 23 institutional sales offices across the nation with 381 sales professionals – including 24 dedicated municipal sales specialists – offering investment products and services to institutional accounts globally. Our Merrill retail financial advisory franchise also employs 15 municipal marketing professionals located across the country, dedicated solely to supporting the distribution of new issue and secondary market municipal bonds through our retail financial advisors nationwide.

BofA’s Distribution Network Highlights

Institutional	National Retail	California Retail	Alameda County Retail
381 institutional sales reps	691 retail offices	78 retail offices	3 retail offices
23 muni institutional sales reps	17,518 financial advisors	1,794 retail financial advisors	74 financial advisors
23 offices nationwide	\$2.6 trillion client balances	855 financial centers	



Marketing Considerations. Given that the proposed G.O. bonds will be the City's inaugural financing, it will be important to engage in extensive investor education and outreach efforts. We recommend the City engage in various pre-marketing efforts targeting the various investor segments (bond funds, retail, etc.) to educate potential buyers on the City's strong credit. If we have the pleasure to serve as the City's senior manager, we would suggest the following marketing strategies to maximize interest in the City's offering. We have employed a combination of the various strategies below for inaugural credits such as the City of Foster City (\$85 million G.O. Bonds).



Post Voluntary Notice on EMMA: As soon as the City Council approves the financing, the City should consider posting a notice of potential financing on EMMA. This will give a heads' up to the market that the transaction is coming and also allow the salesforce to start talking about the deal so accounts have it on their radar and can think about setting aside cash to participate.



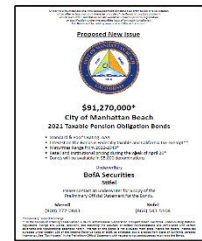
Efficiently Time POS and Closing: We recommend releasing the POS at least a week before pricing. This would give investors time to review the POS and conduct their credit review prior to the sale.



Develop an Internet Roadshow: We highly recommend the use of a slides only online investor presentation. The presentation provides a summary of the City's credit and transaction highlights.



Local Newspaper and Digital Advertisements: Traditional print media can reach an extremely wide audience, depending on the choice of newspaper and frequency of ads. We recently had success with newspaper advertisements for City of Manhattan Beach's 2021 Taxable Pension Obligation Bonds (pictured right) that were priced on April 28, 2021. With more investors going online to read the news and collect information, we also propose implementing a digital advertising component that will link digital newspaper advertisements to the City's website as well as the Project's page.



Internal Sales Call: Similarly, our banking team would also orchestrate a call internally with our sales team prior to pricing to address details of the transaction, as well as highlight key credit strengths relevant to the City.



One-On-One Investor Calls: We have seen increased interest from investors to have one-on-one calls with issuers during this credit-sensitive period in the market. BofA's credit strategies team, in connection with BofA's sales team, could help assist in arranging these calls, as investors express interest.

Investor Targeting. As a new highly rated credit in the municipal market, the City's G.O. bonds will provide diversity and credit strength to any purchaser's portfolio. BoA's goal is to maximize distribution of the City's bonds by leveraging the unique and new credit strength the City's G.O. credit provides. Key investor targets we have identified for the City's sale include the following:

- **California and Local Individual Retail:** Unlike a number of our competitors which rely on joint ventures, third party agreements and electronic clearing houses to reach retail investors, our Merrill retail operations, which are wholly-owned by Bank of America, provide an important and unmatched distribution channel for the bonds we underwrite. BofA has one of the industry's largest and most extensive retail distribution networks, comprised of 691 domestic branch offices supported by 17,518 retail financial advisors. **With over 7 million individual investors and \$2.6 trillion in retail assets under management, municipal securities represent the #2 product sold by BofA to retail investors and our ability to satisfy this demand is essential to our success.** Within California, there are 78 offices staffed with 1,794 retail financial advisors including 3 retail offices in Alameda County.
- **Professional Retail:** While our approach is to first allocate bonds to traditional retail investors, we actively cover and sell large quantities of bonds to the full universe of professional retail accounts (primarily separately managed accounts).
- **Accounts with Cash to Spend:** Targeting known investors who are expected to come into large cash balances through large principal maturations and redemptions would be a strong use of the City's and our pre-marketing efforts.



- **Top Holders of CA Tax-Exempt G.O. Bonds:** These investors have already shown interest in tax-exempt California G.O. financings and they may welcome the opportunity to add a new credit name to their holdings.
- **Top Holders of CA “AA” Rated Tax-Exempt Bonds:** These investors look to purchase highly rated tax-exempt issues similar to the City’s proposed financing. We look to broaden the City’s investor audience to include these targets.
- **Top Holders of Lower Coupon CA Bonds:** Targeting top holders of California bonds with sub-5% coupons will be of great significance to the City’s bond sale in order to stay within the OIP limit. We identify the top holders of these bonds in the following table.

California G.O. Bonds (\$MM)		California AA Rated Bonds (\$MM)		California Sub-5% Coupon Bonds (\$MM)	
Firm	Amount	Firm	Amount	Firm	Amount
VANGUARD	14,649	VANGUARD	34,788	VANGUARD	19,272
BLACKROCK	6,868	BLACKROCK	14,642	TIAA-CREF	8,073
FRANKLIN	4,607	FRANKLIN	13,194	FRANKLIN	7,934
TIAA-CREF	3,510	TIAA-CREF	10,856	BLACKROCK	7,825
NORTHERN TRUST	2,791	INVESCO	8,546	INVESCO	7,506
CAPITAL GROUP	2,528	FMR LLC	5,305	CAPITAL GROUP	4,854
INVESCO	2,245	CAPITAL GROUP	5,227	GOLDMAN SACHS	4,461
NEW YORK LIFE	2,092	GOLDMAN SACHS	4,869	NEW YORK LIFE	4,372
FMR LLC	2,050	NEW YORK LIFE	4,682	FMR LLC	4,356
GOLDMAN SACHS	2,026	NORTHERN TRUST	3,474	NORTHERN TRUST	2,769
TRAVELERS	1,458	JPMORGAN CHASE & CO	3,071	WELLS FARGO & CO.	2,472
GUGGENHEIM	1,020	WELLS FARGO & CO.	2,596	CHARLES SCHWAB	2,320
JPMORGAN CHASE & CO	918	ALLIANZ SE	2,194	JPMORGAN CHASE & CO	1,921
WELLS FARGO & CO.	814	METLIFE INVESTMENT	2,013	MACQUARIE GROUP	1,690
LOEWS	811	CHARLES SCHWAB	1,988	FEDERATED	1,555
EATON VANCE	789	ALLIANCE BERNSTEIN	1,831	ALLIANZ SE	1,427
ALLIANCE BERNSTEIN	774	PRUDENTIAL	1,797	TRAVELERS	1,359
DIMENSIONAL FUND	760	AMERICAN CENTURY	1,759	AMERICAN CENTURY	1,256
STATE STREET	752	DEUTSCHE BANK	1,645	GUGGENHEIM	1,220
STATE FARM	710	STATE STREET	1,642	ALLIANCE BERNSTEIN	1,148

Source: Bloomberg as of August 25, 2021. Yellow highlight denotes mutual top holders across two categories and green highlight denotes mutual top holders across all categories.

9. Order Period

Provide your views on the length of an order period; and order priority. Describe how this approach will benefit the City. The City will require that representatives of the City and its financial advisor be provided with an electronic means of viewing orders submitted by Underwriter on a real time basis.

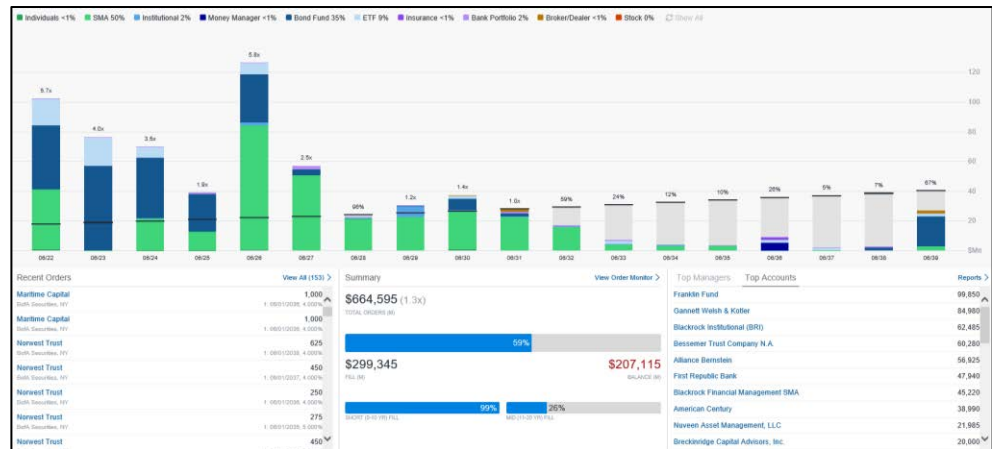
As the number one underwriter for the last 9 years, BofA has considerable experience navigating a wide variety of pricing environments – calm and volatile, low and high rate environments, interest rate easing and tightening. BofA believes the pricing process is not a “one day” event; rather, the full marketing process begins the moment the transaction is publicly announced – either through a city council board agenda, posting on EMMA of a notice of intent to sell bonds, or the mailing of the POS. At this point, BofA can begin canvassing investors for their thoughts on structure and levels. On the retail side, financial advisors (brokers) can start talking to their retail clients about setting aside funds for the purchase of bonds. Proactively marketing the transaction in advance of the actual pricing date/order period not only provides more information to assist in the ultimate pricing but also helps limit the opportunity for unknown surprises to develop.

Pre-marketing also allows for a more orderly pricing process. The optimal approach to the length of the order period and order priority will depend upon the market conditions at the time of pricing as well as feedback from the pre-marketing process – do investors have credit concerns, have all credit approvals been received, are there particular structural issues (high/low coupons, short calls, etc)? Based on today’s relatively volatile market and the absolute low level of interest rates (albeit with somewhat wider credit spreads) as well as the expected rating on the City’s GO bonds, **BofA recommends the City utilize a two hour order period.** This will provide the opportunity for both accounts to submit orders as well as the City and its financial advisor to track progress and



discuss strategies to address over or under subscription. In light of the relatively light retail purchases BofA has seen lately, we do not recommend the City utilize a dedicated retail order period but rather provide retail priority as discussed below. Given the time difference between New York and California, a two hour order period provides sufficient time for retail investors to confirm their orders and get them submitted without the need for a retail order period that can unnecessarily expose the City to interest rate risk.

During the pricing, the City will have real-time access to the order book through IPREO’s Gameday system as shown to the right. The Gameday system allows the City and its financial advisor to see all orders submitted for each maturity/CUSIP, including name of the investor and the type of account (bond fund, insurance company, etc), the amount of the order, whether it is “all or none” or has other conditions (for example, being allotted bonds with other maturities), and the order priority (group net/net designated, member, etc). By having this information in a real-time basis, BofA helps to promote timely and transparent information to the City and its financial advisor – you see what we see. This assists with repricing efforts as well as with discussions regarding final allocation of bonds to the various investors.



By having this information in a real-time basis, BofA helps to promote timely and transparent information to the City and its financial advisor – you see what we see. This assists with repricing efforts as well as with discussions regarding final allocation of bonds to the various investors.

The order priority for the transaction can be modified to fit the City’s specific goals and objectives: are there co-managers and, if so, did any play a specific role that the City would like to see rewarded? Does the City want to really incentivize the underwriters to “make the calls” to investors or is rewarding banking coverage more important? Is there a desire to provide opportunities for local retail investors to buy the bonds? Assuming one co-manager and based upon current market conditions and our experience with similar transactions, BofA recommends the following order priority:

1. Retail investors (can be sub-divided into local, California and national retail as desired)
2. Net Designated
3. Member

For retail investors, we suggest including both “mom and pop” retail as well as so-called “professional retail” investors – in both cases, there is a direct nexus between the entity placing the order and who ultimately holds the bonds. For net designated orders, we suggest a maximum of 70% designation. We believe this order priority will encourage the underwriters to proactively reach out to institutional investors while also encouraging retail financial advisors to contact their clients, knowing any retail orders will be filled.

10. Fees and Expenses

Provide a breakdown of your proposed underwriting spread on Appendix I for “AA/Aa” rated tax-exempt fixed rate General Obligation Bonds with a final maturity of 30 years structured to provide level annual debt service. Please note that the City expects the firm selected to adhere to the quotes provided for underwriting risk, takedown, and management fee through the completion of the financing. Changes in such quotes may be permitted, at the discretion of the City. Approved and documented underwriting expenses will be reimbursed.

As requested, we have provided breakdown of your proposed underwriting spread on **Appendix C**.



11. Proposed Underwriter's Counsel

Please identify three law firms from which your firm will select one firm to use as Underwriter's Counsel in connection with the issuance of General Obligation Bonds by the City, and verify with said firms and confirm in your response that Underwriter's Counsel agrees to perform the required services for the quoted fee. In preparing the quoted fee, please assume that Underwriter's Counsel will be responsible for preparation of the Bond Purchase Agreement and Preliminary and Final Official Statement. The City reserves the right to approve any firm employed to serve as Underwriter's Counsel. Payment of Underwriter's Counsel will be made from the underwriting spread - expense component.

Underwriters' Counsel. BofA has established an excellent working relationship with all of the major bond law firms. If selected as senior managing underwriter, BofA recommends the attorneys and firms listed to the right to serve as underwriters' counsel.

Katten Muchin Rosenman LLP	Hawkins Delafield & Wood	Nixon Peabody LLP
Craig Scully	Diane Quan	Rudy Salo
(212) 940-8557	(213) 236-9068	(213) 629-6069
craig.scully@katten.com	dquan@hawkins.com	rsalo@nixonpeabody.com

12. Conflicts of Interest

Disclose any relationship, contractual or otherwise, that your firm has with any individual, organization or firm that may be a party to or beneficiary of the proposed issuance of General Obligation Bonds by the City. Disclose any relationships, contractual or otherwise, that your firm has with any individual, organization or firm that would present a conflict of interest, or appearance thereof, with your role as underwriter.

To the best of our knowledge at this time, we are not aware of any actual or potential conflicts of interest that could negatively impact the provision of our services as contemplated herein. If selected to be your underwriter, however, in accordance with our MSRB Rule G-17 obligations as an underwriter, we will conduct our MSRB Rule G-17 review and provide you with any appropriate disclosures at that time.

Bank of America Corporation and/or its affiliates ("BAC Group") comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and strategic advisory services and other commercial services and products to a wide range of corporations, governments, and individuals domestically and offshore, from which conflicting interests or duties, or a perception thereof, may arise. In the ordinary course of these activities, parts of the BAC Group at any time may invest on a principal basis or manage funds that invest, make or hold long or short positions, financial positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in securities or financial instruments (including derivatives, bank loans or other obligations) of the City or any other party that may be involved in the transaction. The BAC Group may be involved in providing financial services in the ordinary course of its business to the City and certain of these financial services may be as part of or related to this transaction (for example, Bank of America, N.A. may be engaged to provide a credit or liquidity facility, or an interest rate risk management solution).

13. Firm Inquiries, Investigations or Litigations

Provide a summary of any inquiries, investigations or litigation over the past five years (including those in progress) that concern your firm's (or any employee's) underwriting, investment banking or financial advisory activities, including but not limited to guaranteed investment contracts, interest rate swaps, and other derivative products. Include a description of any inquiries or actions taken against your firm or employees by any court or regulatory authority, including fines, suspensions, censure, etc.

Please see **Appendix D**.



Appendix A

Financing Team Resume



Core Investment Banking Team	
Contact	Background
<p>Bryon Rockwell <i>Managing Director</i> 333 South Hope Street, Suite 3820 Los Angeles, CA 90071 (213) 345-9585 bryon.rockwell@bofa.com</p>	<p>Role: Lead Banker & Resource Manager <u>Experience:</u> Mr. Rockwell joined BofA in 1994, and is responsible for structuring, documenting and marketing municipal financings and capital markets products for municipal issuers. Importantly, he has worked with California issuers over his entire career. His financing experience includes Northern California issues such as Alameda County, City & County of San Francisco, Bay Area Toll Authority, and Sacramento Transportation Authority. Mr. Rockwell is well versed in virtually all types of credits and structures in the municipal market, including ad valorem secured G.O. bonds, general fund leases, and revenue bonds. <u>Education:</u> M.B.A. & B.S. - University of Oregon.</p>
<p>Holly Vocal <i>Managing Director</i> 555 California Street, Suite 1160 San Francisco, CA 94104 (415) 913-2327 holly.vocal@bofa.com</p>	<p>Role: Co-Lead Banker & Day-to-Day Project Manage <u>Experience:</u> Ms. Vocal has 17 years of experience in public finance and specializes in state and local government bond issuers. Ms. Vocal has been the principal banker over 150 financings totaling over \$12 billion in par. She works on all aspects of project generation and public finance including capital planning, bond structuring and credit analysis. Ms. Vocal has specialized knowledge in developing comprehensive financing plans to address the needs of issuers, culminating with the structuring and issuance of bonds. Ms. Vocal has worked with large California issuers such as the State of California itself as well as California local agency clients. Recently, Holly served as lead or co-lead banker on financings for the cities of Foster City, Milpitas, San Mateo, Modesto, and the counties of San Francisco, Sacramento, Madera and Riverside. <u>Education:</u> B.A. – University of California, Berkeley.</p>
<p>Doug Baron <i>Director</i> 333 S. Hope Street, Suite 3820 Los Angeles, CA 90071 (213) 345-9599 douglas.baron@bofa.com</p>	<p>Role: Transaction Banker <u>Experience:</u> Mr. Baron joined BofA in April 2019, having worked at the County of Los Angeles since 2000. For 11 of his 18 years at the County of Los Angeles, Mr. Baron managed the public finance and investment operations for the County Treasurer and Tax Collector. Mr. Baron has extensive experience as an issuer of both tax-exempt and taxable debt, including short-term notes, lease revenue bonds, P3 obligations, and various refunding bonds. Mr. Baron also managed numerous bond financings on behalf of school and community college districts, special districts, CFDs, non-profits, and the former redevelopment agencies. His relevant financing experience includes active participation in the structuring and pricing of more than 100 K-14 GO bond and GO bond refundings while at the County. Prior to joining the County in 2000, Mr. Baron worked in various capacities in the financial services sector, including as an equity research analyst for Deutsche Bank Securities. <u>Background:</u> B.A. – Princeton University; M.B.A. – Stanford University.</p>
<p>Kirubiel Ayele <i>Associate</i> 333 South Hope Street, Suite 3820 Los Angeles, CA 90071 (213) 345-9577 kirubiel.ayele@bofa.com</p>	<p>Role: Execution Banker <u>Experience:</u> Kirubiel joined BofA in 2015. Since joining our team, Mr. Ayele has worked on various G.O. bond financings issues for City of Foster City, Corona-Norco Unified School District, City and County of Honolulu, State of Hawaii and State of Oregon. Prior to joining BofA, he worked in the investment services industry at Northwestern Mutual specializing in deal execution and asset management. <u>Background:</u> B.A. – University of Southern California.</p>



Core Investment Banking Team	
Contact	Background
<p>Samantha Fong Analyst 555 California Street, Suite 1160 San Francisco, CA 94104 (650) 608-0717 samantha.fong@bofa.com</p>	<p>Role: Support Banker Experience: Ms. Fong joined BofA's Western Region group in 2020 and will provide analytical, quantitative and deal execution support for the team. Prior to joining BofA, she worked in a similar capacity as a public finance investment banking analyst in the San Francisco Bay Area. Background: B.A. & B.S. – University of California, Riverside.</p>

Rating & Investor Relations	
Contact	Background
<p>Brad Gewehr Senior Vice President One Bryant Park, 12th Floor New York, NY 10036 (646) 743-1336 bradley.gewehr@bofa.com</p>	<p>Role: Credit Rating and Investor Relations Strategist Experience: Mr. Gewehr provides municipal credit expertise to our West Coast clients. Prior to joining BofA, he was with UBS where he was the head of their municipal credit strategies group. He has over 34 year of experience in public finance and has assisted numerous municipal issuers on credit analyses and strategies. Importantly, Mr. Gewehr spent many years at Moody's as a Managing Director where he supervised a staff of analysts responsible for assigning and maintaining ratings on municipal tax-backed, utility revenue, and lease credits in 26 states. Background: B.A. – Amherst College; M.B.A. – New York University.</p>

Underwriting	
Contact	Background
<p>Brendan Troy Managing Director One Bryant Park, 9th Floor New York, NY 10036 (212) 449-5081 brendan.troy@bofa.com</p>	<p>Role: Lead Underwriter Experience: Mr. Troy has 19 years of experience in both the underwriting of fixed rate and variable rate securities at BofA. Mr. Troy's clients include, among others, the County of Los Angeles, Orange County Transportation Authority, New Jersey Educational Facilities Authority, Los Angeles Unified School District, State of California, California State Public Works Board, San Diego County Regional Airport Authority, the Commonwealth of Massachusetts, the City of New York, Dormitory Authority of the State of New York, Metropolitan Transportation Authority, and New York State Environmental Facilities Corporation. Background: B.A. – Vanderbilt University; M.B.A. – New York University.</p>
<p>Catherine Crews Managing Director One Bryant Park, 9th Floor New York, NY 10036 (212) 449-5081 catherine.crews@bofa.com</p>	<p>Role: Co-Lead Underwriter Experience: Ms. Crews Buell is a member of the underwriting desk and has approximately 15 years of experience in in the municipal business. She has underwritten over \$50 billion in senior managed deals covering a wide range of credit types and structures. Prior to joining the underwriting desk in 2005, Ms. Crews Buell was a financial analyst in the Health Care and Higher Education Group, where she provided quantitative and analytical analysis. Background: B.A. - Bucknell University.</p>
<p>Grace Gaoen Director 101 California Street San Francisco, CA 94111 (415) 627-2137 grace.c.gaoen@bofa.com</p>	<p>Role: Retail Specialist Experience: Ms. Gaoen has more than thirty years of municipal bond experience with the following firms: Morgan Stanley & Co., Thomson McKinnon Securities, A. G. Edwards & Sons, Piper Jaffray & Company and BofA. Her experience encompasses the trading, underwriting and marketing of municipal securities primarily for retail sales. She joined the Public Finance Group at the BofA in October 2005 where she utilized her extensive experience working with retail sales to grow that business. Education: B.S. – Saint Mary's College of California.</p>



Appendix B

BofA California Long-Term G.O. Bonds Financing Experience (2018 – Present)



BofA California Long-Term G.O. Bonds Financing Experience (2018 - Present)						
Sale Date	Issuer	Par Amount	Bid Type	Tax Status	Ratings	Key Staff
04/27/21	City & County of San Francisco	86,905,000	Neg.	TE	Aaa / AAA / AA+	BR, HV, DB, SF, BT
03/11/21	State of California	1,842,060,000	Neg.	TE	Aa2 / AA- / AA	HV, CC, SF, BG
10/29/20	Los Angeles Community College District	1,793,805,000	Neg.	TX	Aaa / AA+ / -	DB, BT, BG
10/13/20	Duarte Unified School District	12,705,000	Neg.	TX	- / AA / -	DB, CC, SF
07/23/20	City of Foster City	85,000,000	Neg.	TE	Aaa / AA+ / -	HV, KA, SF, BG, BG
06/11/20	Los Alamitos Unified School District	15,720,000	Neg.	TX	Aa1 / AA+ / -	DB, BT, BG
05/21/20	City & County of San Francisco	49,675,000	Neg.	TX	- / AAA / AA+	BR, HV, DB, SF, BT
04/23/20	Los Angeles Unified School District	942,940,000	Neg.	TE / TX	Aa3 / - / AA+	DB, BT, BG
04/16/20	State of California	1,439,115,000	Neg.	TE	Aa2 / AA- / AA	HV, CC, SF, BG
06/19/19	Washington Township Health Care District	11,110,000	Neg.	TE	A1 / - / -	HV, CC, SF, BG
03/06/19	State of California	2,291,850,000	Neg.	TE	Aa2 / AA- / AA	HV, CC, SF, BG
08/08/18	Las Virgenes Unified School District	10,435,000	Neg.	TE	Aa1 / - / -	HV, CC, SF, BG
03/15/18	County of Alameda	240,000,000	Neg.	TX	Aaa / AAA / AAA	HV, CC, SF, BG
03/06/18	State of California	2,181,305,000	Neg.	TE	Aa2 / AA- / AA	HV, CC, SF, BG
02/21/18	Los Angeles Unified School District	1,202,445,000	Neg.	TE	Aa3 / - / AA+	DB, BT, BG
01/10/18	Fullerton School District	12,365,000	Neg.	TX	Aa2 / - / -	DB, CC
07/14/21	City of San Jose	\$200,530,000	Comp.	TE / TX	Aa1 / AA+ / AAA	BT, CC
04/06/21	Elk Grove Unified School District	140,500,000	Comp.	TE	Aa2 / - / AAA	BT, CC
03/30/21	Palm Springs Unified School District	118,000,000	Comp.	TE	Aa3 / - / -	BT, CC
10/27/20	Dublin Unified School District	33,935,000	Comp.	TE	Aa1 / AA+ / -	BT, CC
10/21/20	State of California	588,145,000	Comp.	TE	Aa2 / AA- / AA	BT, CC
08/12/20	Walnut Valley Unified School District	47,900,000	Comp.	TE	Aa1 / - / -	BT, CC
06/23/20	Los Alamitos Unified School District	39,500,000	Comp.	TE	Aa1 / AA+ / -	BT, CC
10/16/19	State of California	680,135,000	Comp.	TX	Aa2 / AA- / AA	BT, CC
08/22/19	Long Beach Unified School District	300,000,000	Comp.	TE	Aa2 / AA- / -	BT, CC
07/17/19	Natomas Unified School District	60,000,000	Comp.	TE	A1 / AA / -	BT, CC
05/07/19	Los Angeles Unified School District	594,605,000	Comp.	TE	Aa3 / - / AA+	BT, CC
04/09/19	East Side Union High School District	140,000,000	Comp.	TE	Aa3 / AA / -	BT, CC
03/27/19	Santa Clara Unified School District	360,000,000	Comp.	TE	Aaa / AA+ / -	BT, CC
02/13/19	Hemet Unified School District	27,500,000	Comp.	TE	- / AA / -	BT, CC



02/05/19	Elk Grove Unified School District	121,000,000	Comp.	TE	Aa2 / - / AAA	BT, CC
10/17/18	State of California	426,885,000	Comp.	TE	Aa2 / AA- / AA	BT, CC
04/24/18	West Contra Costa Unified School District	125,000,000	Comp.	TE	A1 / AA- / AAA	BT, CC
03/20/18	City & County of San Francisco	251,155,000	Comp.	TE	Aaa / AAA / AA+	BT, CC
01/23/18	Tustin Unified School District	20,000,000	Comp.	TE	Aa1 / AA / -	BT, CC
Total	35 Financings	\$16,492,225,000				

Key	Name	Role
BR	Bryon Rockwell	Co-Lead Banker
HV	Holly Vocal	Co-Lead Banker
DB	Doug Baron	Transaction Banker
KA	Kirubiel Ayele	Execution Banker
SF	Samantha Fong	Support Banker
BG	Brad Gewehr	Credit Specialist
BT	Brendan Troy	Lead Underwriter
CC	Catherine Crew	Underwriter



Appendix C

Breakdown of Proposed Underwriter Spread



Appendix I

BREAKDOWN OF PROPOSED UNDERWRITER SPREAD

<u>Component of Spread</u>	"AA/Aa"	
	<u>Tax-Exempt Fixed Rate Bonds</u> <u>As \$</u>	<u>As \$/000</u>
Takedown		<u>\$1.50</u>
Management Fee		<u>\$0.00</u>
Underwriting		<u>\$0.00</u>
Underwriting Expenses: *		
- Underwriter's Counsel	<u>\$15,000.00</u>	
- Overnight Delivery	<u>-</u>	
- DalComp	<u>\$2,095.95</u>	
- DalNet	<u>-</u>	
- Cost of Funds	<u>-</u>	
- Travel	<u>-</u>	
- Public Relations/ Investor Relations	<u>-</u>	
- Information Technology	<u>-</u>	
- Advertising		
Direct Marketing	<u>-</u>	
Mass Marketing	<u>-</u>	
- CUSIP	<u>\$721</u>	
- Other (Specify)		
<u>Out-of-Pocket Expenses</u>	<u>\$1,000</u>	
DTC	<u>\$800</u>	
15c2-12 Review	<u>\$850</u>	
Total Expenses		<u>\$20,466.95</u>
TOTAL UNDERWRITING SPREAD **		<u>\$2.55 per bond</u>

* All expense reimbursements are subject to documentation in a form acceptable to the City.

NOTE: DO NOT PROVIDE RANGES FOR ANY REQUESTED ITEM.

Appendix D

Firm Inquiries, Investigations or Litigations



On May 11, 2019, BofA Securities, Inc. ("BofA Securities") agreed with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") to assume the assets and liabilities of the Global Banking and Markets business previously conducted by MLPF&S, including the regulatory and legal matters below.

In the ordinary course of business, BofA Securities is subject to regulatory examinations, information gathering requests, inquiries, and investigations ("Regulatory Inquiries") by various federal or state securities regulatory agencies and attorneys general, other local, state, and federal agencies, law enforcement, and self-regulatory organizations (collectively, "Regulators"); and is on occasion a defendant in or party to pending threatened legal actions and proceedings. In connection with formal and informal Regulatory Inquiries, BofA Securities receives numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their regulated activities, and in some cases regulatory action has been taken against BofA Securities. BofA Securities believes that it has cooperated fully with the Regulators in all such inquiries to date and intends to continue to cooperate fully with the Regulators in all such inquiries involving BofA Securities in the future.

Bank of America Corporation (the "Corporation"), BofA Securities' ultimate parent, makes all required disclosures in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are updated in Reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission ("SEC") ("Regulatory Filings"). BofA Securities makes all required disclosures in its Form BD and ADV filings ("Form BD and ADV Filings") with the Financial Industry Regulatory Authority ("FINRA"). Those Regulatory Filings and Form BD and ADV Filings include disclosures of Regulatory Inquiries as required by federal law and applicable regulations. The Regulatory Filings are publicly available on the SEC's website at www.sec.gov. The Form BD Filings are publicly available on the FINRA BrokerCheck system at <http://brokercheck.finra.org/>. The Form ADV filings are publicly available on the SEC's Investment Adviser Search website at: <http://www.adviserinfo.sec.gov/IAPD/default.aspx>.

The Corporation cannot confirm or deny the existence of any other, non-public Regulatory Inquiry conducted by any Regulator unless required to do so by law.

Please note the following public matters involving BofA Securities' public finance business over the past five (5) years:

Municipal Bond Underwriting False Claims Act Lawsuits

Beginning in January 2016, the Corporation was served, along with a number of other banks, with lawsuits brought by Roger Hayes and Talbot Heppenstall (the "Relators") in Illinois, California, New Jersey and New York under those state's respective False Claims Acts. In each case, the Relators alleged that the defendants falsely represented to state and municipal officials that they would obtain the lowest yields/highest prices for new negotiated municipal bond offerings in order to secure underwriting engagements for those offerings. All of the cases have been dismissed or withdrawn: The Illinois lawsuit was dismissed by the trial court without prejudice in September 2017; the California lawsuit was dismissed by the trial court with prejudice in March 2019; the New Jersey lawsuit was dismissed by the trial court without prejudice in early May 2019; and the Relators voluntarily discontinued the New York lawsuit in June 2019.

VRDO False Claims Act Lawsuits

Since November 2017, the Corporation has been served, along with a number of other banks, with lawsuits brought by Edelweiss Fund, LLC ("Edelweiss") in Illinois, California, Massachusetts, New Jersey and New York under those state's respective False Claims Acts. In February 2019, the Massachusetts state court permitted the substitution of Bjorn Johan Rosenberg for Edelweiss as the relator in the case. In each case, Edelweiss and Rosenberg purport to assert claims that the defendants engaged in a coordinated "robo-setting" scheme under which they allegedly set the rates for Variable Rate Demand Obligations ("VRDOs") mechanically in order to keep the rates artificially high and thereby reduce the chances of having to remarket the bonds. To date, the Attorney Generals of each of these states have declined to



join in the lawsuits. The Massachusetts Supreme Court affirmed the trial court's dismissal in May 2021. The California lawsuit was dismissed by the trial court on in June 2021.

VRDO Antitrust Actions

On February 20, 2019, the City of Philadelphia filed a putative antitrust class action complaint in the U.S. District Court for the Southern District of New York alleging that several of the Corporation's affiliates and affiliates of six other large banks, acting in their capacity as remarketing agents for VRDOs, conspired between 2008 and 2016 to artificially inflate interest rates on VRDOs to the detriment of their municipal issuer customers. The complaint asserts causes of action (i) under Section 1 of the Sherman Antitrust Act and Sections 4 and 16 of the Clayton Antitrust Act, (ii) for breach of contract, and (iii) for unjust enrichment. On March 25, 2019, the Mayor and City Council of Baltimore, Maryland filed a similar class action antitrust complaint in the U.S. District Court for the Southern District of New York against several Bank of America affiliates and affiliates of other banks. The trial judge has ordered the cases to be consolidated. On June 3, 2021, a new VRDO antitrust class action complaint was filed in the Southern District of New York on behalf of a proposed subclass of California municipal issuers and asserting several claims under California law based on the same alleged conduct.

Puerto Rico Lawsuits

On May 2, 2019, the Financial Oversight and Management Board for Puerto Rico ("FOMB"), as a representative of the Commonwealth and other debtor entities in the Puerto Rico bankruptcy, filed an adversary complaint in U.S. District Court for the District of Puerto Rico against Bank of America and numerous other financial institutions that served as underwriters on 17 bond issuances by the Commonwealth of Puerto Rico and its instrumentalities in the years leading up to the bankruptcy. The FOMB asserts claims against the underwriters for: (i) aiding and abetting breaches of fiduciary duty on the theory that the bonds deepened the Commonwealth's insolvency and violated Puerto Rico's constitutional debt limits, (ii) rescission of transfer under Puerto Rico and Federal Bankruptcy laws on the theory that the underwriters received fees in connection with the bonds without delivering any value to the Commonwealth because the bonds only increased the Commonwealth's insolvency, (iii) unjust enrichment based on the fees the underwriters received in connection with the bonds, and (iv) breach of the underwriting agreements by insufficiently disclosing in the offering documents the compensation the underwriters received and potential conflicts of interest. The complaint also alleges that certain underwriters entered into interest rate swap agreements with the Commonwealth and asserts claims related to those swap agreements for (i) aiding and abetting breaches of fiduciary duty on the theory that the swap counterparties encouraged the Commonwealth to pass legislation allowing the swaps and then encouraged the Commonwealth to enter into the swaps in connection with bonds they underwrote, and (ii) unjust enrichment based on termination fees the swap counterparties received.

In addition, Ambac Assurance Corporation, Financial Guaranty Insurance Company ("FGIC") and National Public Finance Guarantee Corporation have brought lawsuits in a local court in Puerto Rico against Merrill Lynch and certain affiliates and 8 other underwriters for one or more bonds issued from 2001 to 2007 by the Commonwealth of Puerto Rico and its agencies. The plaintiffs allege that they were induced to insure the bonds based upon defendants assurances that they had reasonably investigated the statements in the Official Statements and that the underwriters had a reasonable basis for believing that the statements were true and complete. The complaint is based on 2 equitable doctrines of Puerto Rican law: Doctrina de Actos Propios (i.e., "doctrine of own acts," which protects a third party who relies in good faith on the veracity of manifestations or actions of another); and Unilateral Declaration of Will (i.e., the creation of an obligation through a unilateral act in the form of a concrete promise on which others are intended to rely). On July 9, 2021, the FGIC complaint was dismissed with prejudice.

BofA Securities' registered officers and employees make required disclosures in their Form U-4, which are filed with FINRA pursuant to a directive from the SEC. These Form U-4 filings are publicly available on the FINRA BrokerCheck system at <http://brokercheck.finra.org/>.

