



REGULAR MEETING OF THE BOARD OF TRUSTEES

<https://zoom.us/j/6503448592>

October 14, 2026, 6:00 PM

AGENDA

All public members seeking to observe and/or to address the local legislative body in person or otherwise electronically can do so in the manner described below.

HOW TO OBSERVE THE MEETING:

In-person: *Regular meetings* of the Board of Trustees shall be held on the 2nd Wednesday of each calendar month, except August and December, at 6:00 p.m. in the Board Room of the San Mateo County Mosquito and Vector Control District, 1351 Rollins Road, Burlingame, California.

All Trustees must attend the meeting in person unless a valid exception applies under existing Brown Act requirements.

Telephone: You can listen to the meeting via Zoom at (408) 636-0968 or (669) 900-6833.

Enter the **Meeting ID# 650-344-8592** followed by the pound (#) key. If the line is busy, more phone numbers are available on Zoom's website at <https://zoom.us/j/6503448592>.

Computer: Watch the live streaming of the meeting from a computer by navigating to <https://zoom.us/j/6503448592> using a computer with internet access that meets Zoom's system requirements (see <https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>)

Mobile: Log in to the Zoom mobile app on a smartphone and enter the Meeting ID **650-344-8592**.

HOW TO SUBMIT PUBLIC COMMENTS:

Live Participation: You may make public comments in person or via Zoom. During the meeting, the Board President or designee will publicly announce the opportunity to comment. Use the "raise hand" feature (or press *9 to "raise hand" on the phone) during the public comment period for the agenda item you wish to address. The Zoom host will call on people to speak by the name provided or, for dial-in attendees, by the last four digits of the phone number.

Written Comments: Public comments may be submitted by email to comments@smcmvcd.org; write "Public Comment" in the subject line. In the email body, include the agenda item number and title, along with your comments. If you want your comment read aloud at the meeting (not to exceed three minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email. All comments received before 12:00 PM on the

day of the meeting will be included as an agenda supplement on the District's website under the relevant meeting date and provided to the Trustees at the meeting. Comments received after this time will be read aloud at the meeting.

ACCESSIBILITY INFORMATION:

Board Meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-related materials should contact Brian Weber, District Manager, as soon as possible, preferably at least 48 hours before the meeting at (650) 344-8592 or bweber@smcmvcd.org. Advance notice will enable the District to resolve such requests and ensure swift access.

PUBLIC RECORDS:

Public records that relate to any item on the open session agenda for a meeting are available for public inspection. Records distributed after the agenda posting deadline are available for public inspection when they are distributed to all or a majority of the Board's members. The Board has designated the District office at 1351 Rollins Road, Burlingame, California, as the place to make those public records available for inspection. You may also obtain the documents by calling the District Manager. These records will also be posted on the District's website at <https://www.smcmvcd.org/board-meetings>.

CEQA NOTICE:

Unless the agenda expressly states otherwise (that an MND or EIR is being considered), discretionary actions taken on agenda items will include a Board finding that the action is exempt under CEQA. If needed, CEQA determinations will be included in the relevant staff report.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**

TRUSTEES:

President - Ron Collins
Vice President - Glenn R. Sylvester
Secretary - Rena Gilligan
Assistant Secretary - Chuck Cotten
Allan Martin

City of San Carlos
City of Daly City
City of Burlingame
City of Belmont
Town of Atherton

Michael Goldman
Laura Walsh
Desiree LaBeaud
Donna Rutherford
Paul Norton
Kati Martin
D. Scott Smith
Catherine Carlton
Muhammad Baluom
Peter DeJarnatt
Vacant
Kat Lion
Robert Riechel
Tolifili Fa
Michael Yoshida
Paul Fregulia

City of Brisbane
Town of Colma
County-At-Large
City of East Palo Alto
City of Foster City
City of Half Moon Bay
Town of Hillsborough
City of Menlo Park
City of Millbrae
City of Pacifica
Town of Portola Valley
City of Redwood City
City of San Bruno
City of San Mateo
City of South San Francisco
Town of Woodside

- The Secretary of the Board will take roll call.
- Trustee Kati Martin will be attending the meeting from 1020 Conklin Ave, Grants Pass, OR. Please arrive at the address and knock on the door if you would like to attend at this location.
- Trustee Paul Fregulia will be attending the meeting from 60 Mauna Kea Beach Dr, Waimea, HI. Please meet in the lobby if you would like to attend.

4. PUBLIC COMMENTS AND ANNOUNCEMENTS

This time is reserved for public members to address the Board on District matters not on the agenda. No action may be taken on non-agenda items unless the law authorizes it. Comments will be limited to three minutes per person (or six minutes with a translator). Speaker cards are available for those who wish to make a public comment.

5. CONSENT CALENDAR

All items on the Consent Calendar will be considered by one (or more) action(s) of the Board unless any Trustee would like to discuss any item listed, in which case it may be pulled from the Consent Calendar.

A. Approval of Minutes

- Minutes from the September 9, 2026 meeting

B. Approval of Financial Reports

- Financial Report for FY 2026-27 as of August 31, 2026

REGULAR AGENDA

6. BOARD COMMITTEE REPORTS

Each committee chair listed below will present a report on the committee's activities and offer any recommendations to the Board.

A. Finance Committee Report – October 5, 2026

Report by: Committee Chair, Kati Martin

B. Resolution M-007-26 Selection of U.S. Bancorp and Approval of 15-Year Financing for the 1415 N. Carolan Avenue Capital Building Project

Report by: District Manager Brian Weber and Finance Director Richard Arrow

ACTION: Accept the Finance Committee's recommendation and adopt Resolution M-007-26, conditionally authorizing lease financing for the N. Carolan Ave. Improvement Project through U.S. Bancorp Government Leasing & Finance, using the District's Rollins Road property, in a principal amount up to \$5 million at an ordinary interest rate not exceeding 4.98 percent, with a scheduled term of 15 years; and authorize the District Manager, in coordination with General Counsel and Municipal Finance Corporation, to complete the remaining due diligence, negotiate revisions, and execute the associated financing documents, subject to General Counsel's approval as to form of the final financing documents before execution, satisfaction of applicable legal requirements and closing conditions, and compliance with the limits and conditions established in the resolution, provided that any final terms exceeding the authority granted by the resolution will require further Board approval.

C. Real Estate Committee Report

Report by: Committee Chair, Paul Norton and District Manager Brian Weber

7. STAFF REPORTS

- A.** Operations Director Casey Stevenson and management will provide an update on Operations.
- B.** Laboratory Director Angie Nakano will provide an update on Laboratory activities.
- C.** Communications Director Rachel Curtis-Robles will provide an update on the District Public Outreach Program.
- D.** Information Technology Director Matthew Nienhuis will update the District on technology matters.

8. MANAGER'S REPORT

Manager Weber will provide an update on relevant District information.

9. CLOSED SESSION

Before entering closed session, the Board will take public comment on the closed-session items.

- **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Gov. Code section 54957(b)(1)) Title: District Manager
- **CONFERENCE WITH LABOR NEGOTIATORS** (Gov. Code section 54957.6)

Agency designated representatives: Trustee Michael Yoshida, Ad Hoc Manager Review Committee Chair

Unrepresented Employee: District Manager

10. REPORT FROM CLOSED SESSION

11. Resolution M-008-26 Sixth Amendment to District Manager's Employment Agreement

Report By: Michael Yoshida, Chair of Ad Hoc Manager Review Committee

ACTION: Receive an oral report summarizing any proposed salary, term, and fringe-benefit changes, take public comment, and consider adoption of Resolution M-008-26 approving the Sixth Amendment to the District Manager's Employment Agreement

12. BOARD MEMBER COMMENTS AND ANNOUNCEMENTS

13. ADJOURNMENT



**MINUTES of the REGULAR
MEETING OF THE BOARD OF TRUSTEES
September 9, 2026, 6:00 PM**

- 1. Call to Order at 6:00 PM**
- 2. PLEDGE OF ALLEGIANCE led by President Collins**
- 3. ROLL CALL**

TRUSTEES PRESENT:

Allan Martin	Town of Atherton
Chuck Cotten	City of Belmont
Michael Goldman	City of Brisbane
Rena Gilligan	City of Burlingame
Laura Walsh	Town of Colma
Glenn R. Sylvester	City of Daly City
Donna Rutherford	City of East Palo Alto
Paul Norton	City of Foster City
Kati Martin	City of Half Moon Bay
Dr. D. Scott Smith	Town of Hillsborough (arrived at 6:29 pm)
Peter DeJarnatt	City of Pacifica
Kat Lion	City of Redwood City
Robert Riechel	City of San Bruno
Ron Collins	City of San Carlos
Tolifili Fa	City of San Mateo
Michael Yoshida	City of South San Francisco
Desiree LaBeaud	County-At-Large (arrived at 6:09 pm)
Paul Fregulia	Town of Woodside

Total: 18 TRUSTEES

TRUSTEES ABSENT: 3

Catherine Carlton	City of Menlo Park
Muhammad Baluom*	City of Millbrae

Total: 1 (*=Excused)

VACANT SEAT: Town of Portola Valley

OTHERS PRESENT:

District Manager, Brian Weber

Finance Director, Richard Arrow

General Counsel, Alexandra Barnhill attended by Zoom

Assistant Manager and Operations Director, Casey Stevenson

Communications Director, Rachel Curtis-Robles

Lab Director, Angie Nakano

IT Director, Matthew Nienhuis

4. PUBLIC COMMENTS AND ANNOUNCEMENTS

No members of the public addressed the Board relative to matters of the District. No members of the public were present for the duration of the meeting. No action was taken on non-agenda items.

5. BOARD MEMBER OATH OF OFFICE (Allan Martin, Town of Atherton)

Allan Martin, representing the Town of Atherton, took the oath of office.

6. CONSENT CALENDAR

Approval of Minutes

Minutes from the June 10, 2026 meeting

Approval of Financial Reports

Financial Report for FY 2025-26 as of July 31, 2026

Approval of Contracts

Authorization for the District Manager to execute the Professional Services Agreement with Orion Innovation for continued MapVision support for \$25,000 and annual hosting

charges of up to \$10,000, subject to final agreement terms and approval from District Counsel

District Manager Weber explained that the former provider discontinued MapVision support and that more than 30 districts had identified a contractor to maintain the program and host the data. The one-year agreement maintains the existing pricing and may be extended. The District owns the source code and will explore longer-term options with other districts. Trustee Riechel requested regular reports on the transition because of the program's importance to laboratory and field operations.

Motion to approve the Consent Calendar made by President Ron Collins. Approved by voice vote unanimously. (18 AYES – 0 NOES – 0 ABSTENSIONS)

REGULAR AGENDA

7. PUBLIC HEARING—In accordance with Government Code section 3502.3 (Assembly Bill 2561), a public agency must hold a public hearing once per fiscal year to present the status of vacancies and recruitment and retention efforts.

The public hearing was opened. This was the opportunity for any members of the public to address the Board with questions and comments relevant to Government Code section 3502.3. Brian Weber, District Manager reported that the average years of employee service was 13 for represented and 10 for unrepresented staff. The employee association was offered an opportunity to review the report and provide feedback. There were no questions/comments from members of the public relevant to Government Code section 3502.3 (Assembly Bill 2561). No members of the public or employee association addressed the Board during the public hearing.

Motion to close the public hearing and accept and file the staff report by Robert Riechel; second by Glenn R. Sylvester. Approved unanimously by voice vote. (18 AYES – 0 NOES – 0 ABSTENSIONS)

8. BOARD COMMITTEE REPORTS

A. Finance Committee Report – August 31, 2026

Report by: Committee Chair, Kati Martin

Committee Chair, Kati Martin, reported that the financial reports on the agenda were discussed in committee and unanimously recommended for Board approval.

B. Approval of the June 30, 2026 Preliminary Financial Report and FY 2025-26 Budget Adjustments

Report by: Finance Director, Richard Arrow

Finance Director Arrow reported an end-of-year fund balance of more than \$12 million. Unencumbered funds were transferred to the real property acquisition fund, increasing it from approximately \$4.6 million to \$7.8 million. The unrestricted fund balance was approximately \$3.7 million, or about 60% of FY 2026-27 operating expenditures, to cover operations before property tax receipts. Proposed line-item budget adjustments, including increases for CalPERS, legal services, and pesticides, were offset by salary savings. The audit was in the information-gathering phase. He also reported on the outstanding FRMS liability and the transition of employee health insurance to CalPERS.

Motion to approve the June 30, 2026 Preliminary Financial Report with Budget Adjustments by Kati Martin; second by Laura Walsh. Approved by voice vote unanimously. (18 AYES – 0 NOES – 0 ABSTENSIONS)

C. Discuss Financing Up to 50% of the 1415 N. Carolan Avenue Capital Building Project.

Report by: District Manager Brian Weber and Finance Director Richard Arrow

Richard Arrow laid out risks of having low cash reserves given various programs that might be impacted in the District's operational budget. If there are unexpected emergencies, this plan will preserve working capital before the District receives funds from its traditional revenue sources. Laura Walsh brought up the need to discuss earthquake insurance for the new building. He explained that financing would preserve liquidity while allowing funds to remain invested in California CLASS, and discussed borrowing costs and investment returns. Trustees discussed loan payments from the general fund, access to invested funds, and the purpose of the District's fiscal reserves.

ACTION: Motion to direct staff to return to the Board in October with the necessary documents and presentation for consideration of financing in the amount of \$5 million for the 1415 N. Carolan Avenue Capital Building Project.

Motion to approve by Robert Riechel; second by Laura Walsh. Motion passed unanimously by voice vote. (18 AYES – 0 NOES – 0 ABSTENSIONS)

D. Real Estate Committee Report

Report by Committee Chair: Paul Norton

Committee Chair, Paul Norton provided updates on construction at 1415 N. Carolan. The project is on track to be completed by March and he was impressed by the cleanliness of the project. There are issues with groundwater and installing structural shear wall supports but these are included in the budget. The Board approved the contingencies, knowing that there are always unknowns with construction. Trustee Collins added that change orders are clearly documented, with pricing, details of what is under review and what has been approved. Trustee Norton reported that he attends monthly construction meetings.

9. STAFF REPORTS

Communications Director Rachel Curtis-Robles and Operations Director Casey Stevenson provided a PowerPoint presentation about the discovery and response to invasive *Aedes aegypti* mosquitoes in Redwood City. In the 50 days since the initial detection in late July, technicians visited over 400 properties and inspected 90% of those properties. Management recognized that the staff “has been doing a ton of work; going after this mosquito in one neighborhood is really protecting the entire county because if left untreated, it will spread throughout the entire county.” Estimates of at least 450 staff hours spent over 50 days dealing with the mosquito outbreak would help plan staffing and budgets for the future. The first report was received on July 18; a trap was set on July 20, and the mosquito was identified on July 21. Door-to-door inspections began on July 22. Staff identified 179 potential breeding sources and added 141 new sites to MapVision for tracking.

Laboratory Director Angie Nakano described different types of traps used in the area of concern and explained that the District’s laboratory was able to DNA test samples in-house, to verify that it was an invasive mosquito. Eleven *Aedes aegypti* mosquitoes were captured at two adjacent properties, with no subsequent detections at those sites.

Communications Director Rachel Curtis-Robles highlighted the effectiveness of District outreach: people knew who to call and were familiar with District services. It was helpful that staff could communicate with residents speaking Spanish or English. Outreach included press releases, social media, mailers, coordinated messaging, and Spanish-language communications. She also reported a new detection in North Fair

Oaks and renewed door-to-door efforts. Staff answered trustees' questions, and the Board thanked staff for their work and presentation.

Information Technology Director Matthew Nienhuis completed two certificates, attended conferences and a CIO summit. He reported that the cybersecurity grant project with Resolute Guard, selected through an RFP process, was underway and that Cal OES had extended the completion deadline. The two certifications addressed cybersecurity management and AI resilience and preparedness and were obtained through Bay Area UASI at no cost to the District.

10. MANAGER'S REPORT

Manager Weber reported on potential changes to Endangered Species Act requirements and staff training concerning protected species. He discussed tick-related articles in the packet, coordination of IT security infrastructure for the North Carolan building, and AI in the workplace. He also reported on a meeting with H. T. Harvey & Associates concerning a redevelopment project, opportunities to avoid mosquito-breeding conditions, and District access for mosquito control.

11. BOARD MEMBER COMMENTS AND ANNOUNCEMENTS

Trustees reported on attendance at the CSDA conference, and Trustee Fregulia prepared notes. Trustee Rutherford highlighted a North Fair Oaks climate-resilience research project involving Dr. LaBeaud. Trustee Yoshida encouraged all trustees to complete the District Manager evaluation survey. Trustee Cotten noted that staff would explore earthquake insurance and requested a visit to the North Carolan building on the evening of a future Board meeting.

12. ADJOURNMENT at 7:37 PM



Agenda Item 5B

**Preliminary
Monthly Financial Report
Month Ending August 31, 2026**

Staff Recommendation: Motion to recommend approval of August 31, 2026, preliminary Financial Report.

Statement of Revenues, Expenditures and Change in Fund Balance

Total revenues received from July 1, 2026, through August 31, 2026 (YTD) were \$ 491,861 . Total expenditures YTD were \$ 1,978,950 and the change in fund balance was (\$ 1,487,088). The District had \$ 4,464,618 cash available in County Treasury and \$ 5,856,198 in CalCLASS.

	General	Capital	Total
	Fund	Fund	Funds
Beginning Fund Balance 7/1/2026:	\$ 12,204,155	\$ 361,509	\$ 12,565,664
Revenues/Resources	\$ 491,861	\$ -	\$ 491,861
Due To (From) Funds/Rounding	-	-	\$ -
Expenditures	\$ 1,818,367	\$ 160,583	\$ 1,978,949
Change in Fund Balance	(1,326,505)	(160,583)	\$ (1,487,088)
* Ending Fund Balance	\$ 10,877,650	\$ 200,926	\$ 11,078,576

* Components of Fund Balance:			
Nonspendable (Inventory)	\$ 127,914	\$ -	\$ 127,914
Pension Rate Stabilization Reserve	\$ 134,392	\$ -	\$ 134,392
Assigned (Capital Improvements)	\$ -	\$ 200,926	\$ 200,926
Public Health Emergency Fund	\$ 200,000	\$ -	\$ 200,000
Natural Disaster Emergency Fund	\$ 200,000	\$ -	\$ 200,000
Real Property Acquisiton Fund	\$ 7,864,670	\$ -	\$ 7,864,670
Debt Service Repayment Fund	\$ -	\$ -	\$ -
Unrestricted Fund Balance	\$ 2,350,674	\$ -	\$ 2,350,674
Total	\$ 10,877,650	\$ 200,926	\$ 11,078,576



Budget Variances

Revenues

The actual revenue received through August 31, 2026, was \$ 491,861 which was over the budget by \$ 85,149. This difference is composed of increased program revenue of \$ 20,931, increased tax revenue of \$49,860 and increased other revenue of \$ 14,358.

Expenditures

Expenditures through August 31, 2026, were \$ 1,978,950 , which were over the budget of \$ 13,495 primarily due to the timing of expenditures contained in the table below:

Budget Category	Over (Under)	Variance	% of YTD Budget	Explanation
Salaries & Wages	Under	\$52,993	91.7%	Timing of Employee Salaries
Employee Benefits	Over	\$24,707	105.8%	Timing of Employee Benefits
Administration	Under	\$28,330	72.0%	Timing of Administrative Expenditures
Computer Hardware & Software	Over	\$64,396	638.4%	Timing of Computer Expenditures
Operations	Over	\$21,922	172.0%	Timing of Operations Expenditures (Pesticides)
Laboratory	Under	\$14,646	53.3%	Timing of Laboratory expenditures
Capital Improvements	Over	\$33,283	126.1%	Timing of Capital Expenditures

The Board's budget level of control is at the category level, for example Salaries, Benefits, Admin., Operations, etc. The above table provides explanations for variances over \$ 10,000.

Questions

Please direct all inquiries related to this financial reporting package to the District Manager, Brian Weber, before the board meeting to allow for adequate research. He can be reached at the District office at (650) 344-8592 or via email at bweber@smcmvcd.org.

Approval

This month's financial statements are fairly presented. The District Manager and Finance Director approved all disbursements and the monthly bank reconciliation. A Board Officer and the District Manager signed all checks.



Attachments:

1. Statement of Financial Position/Balance Sheet

2. Statement of Revenues, Expenditures and Change in Fund Balance

3. Budget Variance Reports

Month

YTD

YTD compared with adopted budget.

4. Accounts Receivable Aging Summary

As of August 31, 2026, accounts receivable outstanding greater than 90 days total is \$290.92 primarily from the City of Foster City (\$ 463.47) and a credit from City of San Francisco Parks of \$ 193.68.

5. Cash Activity & Reconciliation to County.

The District's accounting system is fully reconciled with the County statement.

6. Payroll Disbursement

All payroll disbursements were made to employees and trustees for their monthly stipends. All employees were paid per District salary and wage schedule and longevity policies.

7. Check Detail

This month, the District wrote General Fund checks numbers from 4415 through 4480. Last month's check number ended at 4414. All checks written were to vendors on accounts, retired employees, or reimbursements to current employees, according to District policy. In August 2026, 66 checks written by the General Fund totaled \$ 233,823.28. In addition, the District wrote 4 checks from the Capital Fund totaling \$ 164,689.44. (Check numbers 1360 through 1363).

8. Purchase Card Report and Bank Statement

All card purchases for the month were from commercial vendors and met the District purchase card policy. A copy of the purchase card bank statement is attached. Also, descriptions of all purchases from Amazon are included in the attached detailed purchase card transactions report.

San Mateo County Mosquito & Vector Control District
Balance Sheet
As of Aug 31, 2026

	Total Aug 31, 26	General Fund	Capital Fund
ASSETS			
Current Assets			
Checking/Savings			
1010 · Cash-County Treasury-GF x2706	4,236,685	4,236,685	-
1013 · Checking -US Bank - GF x3353	(16,040)	(16,040)	-
1018 · Cash-Cal CLASS	5,856,198	5,856,198	-
1020 · Cash-County Treasury-CPF x2705	227,933	-	227,933
1023 · Checking -US Bank - CPF x4183	-	-	-
1026 · County Funds - FMV	83,419	79,972	3,446
1030 · Petty Cash	400	400	-
1035 · PARS Pension Rate Stabilization	134,392	134,392	-
Total Checking/Savings	10,522,986	10,291,607	231,379
Accounts Receivable			
1100 · Accounts Receivable	49,892	49,892	-
1105 · Interest Receivable	-	-	-
Total Accounts Receivable	49,892	49,892	-
Other Current Assets			
1106 · Other Receivables	38,216	38,216	-
12000 · Deposits in Transit	22,326	22,326	-
1220 · VCJPA-Member Contingency Fund	553,142	553,142	-
1230 · Pesticide Inventory	127,914	127,914	-
1300 · Prepaid Items	-	-	-
Total Other Current Assets	741,599	741,599	-
Total Current Assets	11,314,476	11,083,097	231,379
TOTAL ASSETS	11,314,476	11,083,097	231,379
LIABILITIES & FUND BALANCE			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	235,901	205,448	30,453
Total Accounts Payable	235,901	205,448	30,453
Credit Cards			
1040 · US Bank Purchase Card	-	-	-
Total Credit Cards	-	-	-
Other Current Liabilities			
2200 · Accrued Wages	-	-	-
Total Other Current Liabilities	-	-	-
Total Current Liabilities	235,901	205,448	30,453
Total Liabilities	235,901	205,448	30,453
Fund Balance			
Beginning Fund Balance, 7/1/2026	12,565,664	12,204,155	361,509
Due To (From) Funds	-	-	-
Revenues Over Expenditures	(1,487,088)	(1,326,505)	(160,583)
Ending Fund Balance *	11,078,576	10,877,650	200,926
TOTAL LIABILITIES & FUND BALANCE	11,314,476	11,083,097	231,379
* COMPONENTS OF ENDING FUND BALANCE			
Nonspendable (Inventory)	127,914	127,914	-
Pension Rate Stabilization Reserve	134,392	134,392	-
Assigned (Capital Improvements)	200,926	-	200,926
Public Health Emergency Fund	200,000	200,000	-
Natural Disaster Emergency Fund	200,000	200,000	-
Real Property Acquisiton Fund	7,864,670	7,864,670	-
Debt Service Repayment Fund	-	-	-
Unrestricted Fund Balance (Includes Working Capital)	2,350,674	2,350,674	-
Total Fund Balance	11,078,576	10,877,650	200,926

Statement of Revenues, Expenditures Budget vs. Actual
July 2026 through June 2027

Month of Report:

Aug, 2026

GENERAL FUND:

Ordinary Revenues/Expenditures

Revenues

Total 4000 • PROGRAM REVENUES	3,016,304	71,624	(2,944,680)	2.4%	50,693	20,931	141.3%	27,085	40,689	13,604	150.2%
Total 4100 • PROPERTY TAX REVENUES	4,077,412	1,928	(4,075,484)	0.0%	5,755	(3,827)	33.5%	5,346	1,928	(3,418)	36.1%
Total 4200 • OTHER TAX REVENUES	975,000	379,411	(595,589)	38.9%	325,724	53,687	116.5%	325,724	379,411	53,687	116.5%
Total 4300 • OTHER REVENUES	308,231	38,898	(269,333)	12.6%	24,540	14,358	158.5%	13,817	19,453	5,636	140.8%
Total 4800 • GRANT REVENUE	184,000	-	(184,000)	0.0%	-	-	0.0%	-	-	-	0.0%

Total Revenues

8,560,947	491,861	(8,069,086)	5.7%	406,712	85,149	120.9%	371,972	441,481	69,509	118.7%
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Expenditures

Total 5000 • SALARIES & WAGES	3,881,074	584,810	3,296,264	15.1%	637,803	(52,993)	91.7%	329,969	307,596	(22,373)	93.2%
Total 5100 • EMPLOYEE BENEFITS	1,725,277	450,331	1,274,946	26.1%	425,624	24,707	105.8%	121,524	124,390	2,866	102.4%
Total 5200 • TRAINING - BOARD & STAFF	64,781	16,266	48,515	25.1%	25,137	(8,871)	64.7%	10,697	3,733	(6,964)	34.9%
Total 5300 • ADMINISTRATION	481,031	72,915	408,116	15.2%	101,245	(28,330)	72.0%	60,096	20,798	(39,298)	34.6%
Total 5400 • INSURANCE	211,495	187,576	23,919	88.7%	211,495	(23,919)	88.7%	5,696	-	(5,696)	0.0%
Total 5450 • COMPUTER HARDWARE & SOFTWARE	238,741	76,356	162,385	32.0%	11,960	64,396	638.4%	8,714	72,828	64,114	835.8%
Total 5500 • FACILITIES MAINTENANCE	38,967	1,720	37,247	4.4%	3,446	(1,726)	49.9%	2,277	609	(1,668)	26.7%
Total 5550 • UTILITIES	85,120	9,473	75,647	11.1%	14,067	(4,594)	67.3%	7,623	5,082	(2,541)	66.7%
Total 5600 • FLEET MAINTENANCE	41,501	4,795	36,706	11.6%	9,557	(4,762)	50.2%	5,915	1,278	(4,637)	21.6%
Total 5700 • OPERATIONS	255,372	52,381	202,991	20.5%	30,459	21,922	172.0%	16,070	37,255	21,185	231.8%
Total 5800 • LABORATORY	115,011	16,704	98,308	14.5%	31,349	(14,646)	53.3%	2,548	10,415	7,867	408.8%
Total 5900 • PUBLIC OUTREACH	97,187	26,945	70,242	27.7%	17,919	9,026	150.4%	11,975	17,780	5,805	148.5%

Total 6500 • DEBT SERVICE

318,094	318,094	(0)	100.0%	318,094	(0)	100.0%	-	-	-	0.0%
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Total Expenditures

7,553,651	1,818,367	(5,735,284)	24.1%	1,838,155	(19,788)	98.9%	583,104	601,764	18,660	103.2%
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General Fund Net Revenues Over Expenditures

1,007,296	(1,326,505)	(2,333,801)		(1,431,443)	104,938		(211,132)	(160,283)	50,849	
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CAPITAL IMPROVEMENT FUND:

Total 6000 • CAPITAL IMPROVEMENTS REVENUE	-	-	-	0.0%	-	-	0.0%	-	-	-	0.0%
Total 6000 • CAPITAL IMPROVEMENTS EXPENDITURES	7,510,433	160,583	7,349,850	2.1%	127,300	33,283	126.1%	49,288	18,116	(31,172)	36.8%

Capital Improvement Fund Net Revenue Over Expenditures

(7,510,433)	(160,583)	7,349,850		(127,300)	(33,283)		(49,288)	(18,116)	31,172	
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General & Capital Fund Net Revenue Over Expenditures

(6,503,137)	(1,487,088)	5,016,049		(1,558,743)	71,655		(260,420)	(178,399)	82,021	
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SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Statement of Revenues, Expenses & Changes- Budget vs. Actual □
July - August, 2026

	Total			
	Actual	Budget	over Budget	% of Budget
Income				
4000 PROGRAM REVENUES				
4010 Service Abatement Revenue -2451	71,624.16	50,693.00	20,931.16	141.29%
Total 4000 PROGRAM REVENUES	\$ 71,624.16	\$ 50,693.00	\$ 20,931.16	141.29%
4100 PROPERTY TAX REVENUES				
4120 Current -Secured SB813-1041	1,928.08	4,938.00	-3,009.92	39.05%
4130 Prior Y. Unsecured SB813-1042		817.00	-817.00	0.00%
Total 4100 PROPERTY TAX REVENUES	\$ 1,928.08	\$ 5,755.00	-\$ 3,826.92	33.50%
4200 OTHER TAX REVENUES				
4210 ERAF Rebate-1046	379,410.80	325,724.00	53,686.80	116.48%
Total 4200 OTHER TAX REVENUES	\$ 379,410.80	\$ 325,724.00	\$ 53,686.80	116.48%
4300 OTHER REVENUES				
4312 Interest (Cal CLASS)	37,000.40	21,336.00	15,664.40	173.42%
4340 VCJPA / Misc. Income -2658	1,897.74	3,204.00	-1,306.26	59.23%
Total 4300 OTHER REVENUES	\$ 38,898.14	\$ 24,540.00	\$ 14,358.14	158.51%
Total Income	\$ 491,861.18	\$ 406,712.00	\$ 85,149.18	120.94%
Gross Profit	\$ 491,861.18	\$ 406,712.00	\$ 85,149.18	120.94%
Expenses				
5000 SALARIES & WAGES				
5010 Permanent Employees	499,068.34	527,193.00	-28,124.66	94.67%
5015 Limited Term Employees	35,438.04	37,978.00	-2,539.96	93.31%
5020 Seasonal Employees	49,903.90	70,395.00	-20,491.10	70.89%
5040 Board Trustees Meeting Stipend	400.00	2,237.00	-1,837.00	17.88%
Total 5000 SALARIES & WAGES	\$ 584,810.28	\$ 637,803.00	-\$ 52,992.72	91.69%
5100 EMPLOYEE BENEFITS				
5110 Retirement - Employer Contribut	178,154.09	176,521.00	1,633.09	100.93%
5125 Actives - Medical Insurance	82,905.62	71,546.00	11,359.62	115.88%
5130 Actives - HRA Health Reimb Acct	5,950.00		5,950.00	
5135 Actives - Dental Insurance	5,339.40	5,234.00	105.40	102.01%
5140 Actives - Dental Reimbursement	588.33	494.00	94.33	119.10%
5145 Actives - Vision Insurance	933.40	948.00	-14.60	98.46%
5150 Group Life Insurance	199.50	206.00	-6.50	96.84%
5153 Trustees - HRA Health Reimb Acct	500.00	1,999.00	-1,499.00	25.01%
5160 Retirees - HRA & Medical Reimb	11,270.52		11,270.52	
5165 Long Term Disability - Standard	3,101.36	3,052.00	49.36	101.62%
5170 Actives - Other Benefits	2,350.80		2,350.80	
5175 Social Security & Medicare Tax	11,542.18	15,154.00	-3,611.82	76.17%
5180 CA Unemployment/Disability Tax	527.03	878.00	-350.97	60.03%
5182 Workers Compensation	146,969.00	149,592.00	-2,623.00	98.25%
Total 5100 EMPLOYEE BENEFITS	\$ 450,331.23	\$ 425,624.00	\$ 24,707.23	105.80%

SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Statement of Revenues, Expenses & Changes- Budget vs. Actual □
 July - August, 2026

	Total			
	Actual	Budget	over Budget	% of Budget
5200 TRAINING - BOARD & STAFF				
5205 Coastal Regional Continuing Ed.	3,400.00	3,560.00	-160.00	95.51%
5210 Conferences / Workshops Board	5,679.37	10,014.00	-4,334.63	56.71%
5215 Conferences / Workshops Staff	7,081.42	11,359.00	-4,277.58	62.34%
5220 Staff Training	104.99	204.00	-99.01	51.47%
Total 5200 TRAINING - BOARD & STAFF	\$ 16,265.78	\$ 25,137.00	-\$ 8,871.22	64.71%
5300 ADMINISTRATION				
5305 Board Meeting Expenses	187.92	1,381.00	-1,193.08	13.61%
5325 HR & Finance Consultant	662.44	776.00	-113.56	85.37%
5330 Memberships & Subscriptions	23,999.35	23,114.00	885.35	103.83%
5335 Office Expense	1,609.17	2,043.00	-433.83	78.77%
5340 Janitorial/Household Expense	4,059.98	6,071.00	-2,011.02	66.87%
5345 Prof. Services - Engineer Rpt		16,011.00	-16,011.00	0.00%
5350 Legal Services	11,762.00	19,322.00	-7,560.00	60.87%
5375 Audit	24,750.00	26,654.00	-1,904.00	92.86%
5380 Copier and postage	1,864.72	689.00	1,175.72	270.64%
5385 Security and fire alarm	2,118.13	3,087.00	-968.87	68.61%
5390 Payroll Service	1,634.85	1,781.00	-146.15	91.79%
5395 Bank Fees (County General Fund)	266.63	316.00	-49.37	84.38%
5396 Bank Fees (County Capital Fund)	247.71		247.71	
Total 5300 ADMINISTRATION	\$ 73,162.90	\$ 101,245.00	-\$ 28,082.10	72.26%
5400 INSURANCE				
5410 Liability Insurance - VCJPA	145,525.00	154,538.00	-9,013.00	94.17%
5415 Auto Physical Damage	10,692.63	9,517.00	1,175.63	112.35%
5420 Group Property Program	19,672.00	26,218.00	-6,546.00	75.03%
5425 VCJPA - General Fund Allocation	2,395.00	4,326.00	-1,931.00	55.36%
5430 Group Fidelity	4,623.00	6,158.00	-1,535.00	75.07%
5435 Non-owned Aircraft	4,125.00	4,538.00	-413.00	90.90%
5436 Cyber Liability		5,696.00	-5,696.00	0.00%
5445 Business Travel Accident Ins	543.72	504.00	39.72	107.88%
Total 5400 INSURANCE	\$ 187,576.35	\$ 211,495.00	-\$ 23,918.65	88.69%
5450 COMPUTER HARDWARE & SOFTWARE				
5455 IT Consulting - Compu-Data		155.00	-155.00	0.00%
5460 Computer Hardware	3,523.55	674.00	2,849.55	522.78%
5465 Computer Software	2,982.82	3,315.00	-332.18	89.98%
5475 Website Hosting / Microsoft	9,130.00	7,816.00	1,314.00	116.81%
5480 IT Security Grant Exp (OES)	60,720.00	0.00	60,720.00	
Total 5450 COMPUTER HARDWARE & SOFTWARE	\$ 76,356.37	\$ 11,960.00	\$ 64,396.37	638.43%
5500 FACILITIES MAINTENANCE				
5505 Facility - Repairs & Maint	1,720.31	3,446.00	-1,725.69	49.92%

SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Statement of Revenues, Expenses & Changes- Budget vs. Actual □
 July - August, 2026

	Total			
	Actual	Budget	over Budget	% of Budget
Total 5500 FACILITIES MAINTENANCE	\$ 1,720.31	\$ 3,446.00	-\$ 1,725.69	49.92%
5550 UTILITIES				
5560 Gas & Electricity - PG&E	3,510.85	6,098.00	-2,587.15	57.57%
5565 Water		909.00	-909.00	0.00%
5570 Phone - VOIP - Fusion/MegaPath	1,161.26	1,121.00	40.26	103.59%
5575 Phone - Land Line-AT&T/Comcast	725.22	656.00	69.22	110.55%
5580 Phone - Mobile Devices-Verizon	4,075.86	5,283.00	-1,207.14	77.15%
Total 5550 UTILITIES	\$ 9,473.19	\$ 14,067.00	-\$ 4,593.81	67.34%
5600 FLEET MAINTENANCE				
5610 Garage Tools	29.31	1,142.00	-1,112.69	2.57%
5615 Garage Repairs Outside	1,029.36	2,209.00	-1,179.64	46.60%
5620 Auto, Hotsy, Plug, Boat, Traile	1,899.49	4,642.00	-2,742.51	40.92%
5630 Ops Equipment & Repairs	1,836.51	1,564.00	272.51	117.42%
Total 5600 FLEET MAINTENANCE	\$ 4,794.67	\$ 9,557.00	-\$ 4,762.33	50.17%
5700 OPERATIONS				
5705 Pesticides	26,426.34	5,905.00	20,521.34	447.52%
5715 Helicopter	6,800.00	3,616.00	3,184.00	188.05%
5720 Safety Equipment	176.93	1,921.00	-1,744.07	9.21%
5725 Apparel - Uniforms & Boots	1,562.12	1,936.00	-373.88	80.69%
5730 Mosquito Fish	135.32	88.00	47.32	153.77%
5735 Fuel	17,280.29	16,993.00	287.29	101.69%
Total 5700 OPERATIONS	\$ 52,381.00	\$ 30,459.00	\$ 21,922.00	171.97%
5800 LABORATORY				
5805 Disease Surveillance	6,734.46	488.00	6,246.46	1380.01%
5810 Sentinel Chicken Flocks/Supply		812.00	-812.00	0.00%
5815 Mosquito Blood	815.03	3,373.00	-2,557.97	24.16%
5820 Dry Ice	4,291.00	3,118.00	1,173.00	137.62%
5825 Lab Supplies	1,270.13	252.00	1,018.13	504.02%
5830 Lab Biowaste Disposal	230.00	0.00	230.00	
5840 Lab Equip. Maintenance	735.39	23,306.00	-22,570.61	3.16%
5845 Lab PCR Supplies	2,627.49	0.00	2,627.49	
Total 5800 LABORATORY	\$ 16,703.50	\$ 31,349.00	-\$ 14,645.50	53.28%
5900 PUBLIC OUTREACH				
5910 Media and Network	18,657.37	11,902.00	6,755.37	156.76%
5920 Promotion & Printing	8,287.25	6,017.00	2,270.25	137.73%
Total 5900 PUBLIC OUTREACH	\$ 26,944.62	\$ 17,919.00	\$ 9,025.62	150.37%
6000 CAPITAL IMPROVEMENTS				
6010 Building Improvements	152,485.30	113,994.00	38,491.30	133.77%
6030 Vehicle Leases	7,849.68	13,306.00	-5,456.32	58.99%
Total 6000 CAPITAL IMPROVEMENTS	\$ 160,334.98	\$ 127,300.00	\$ 33,034.98	125.95%

SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Statement of Revenues, Expenses & Changes- Budget vs. Actual □
 July - August, 2026

	Total			
	Actual	Budget	over Budget	% of Budget
6500 DEBT SERVICE				
6510 Principal Payments	232,266.47	232,266.00	0.47	100.00%
6520 Interest Payments	85,827.65	85,828.00	-0.35	100.00%
Total 6500 DEBT SERVICE	\$ 318,094.12	\$ 318,094.00	\$ 0.12	100.00%
Total Expenses	\$ 1,978,949.30	\$ 1,965,455.00	\$ 13,494.30	100.69%
Net Operating Income	-\$ 1,487,088.12	-\$ 1,558,743.00	\$ 71,654.88	95.40%
Net Income	-\$ 1,487,088.12	-\$ 1,558,743.00	\$ 71,654.88	95.40%

San Mateo County Mosquito & Vector Control District
A/R Aging Summary
As of August 31, 2026

08/31/2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
California Invasive Plant Council	16,102.78	5,504.53				21,607.31
City of Foster City	6,561.91				463.47	7,025.38
City of Pacifica Public Works Wastewater	100.43		100.43			200.86
City of Redwood City, Public Works	4,599.85				21.13	4,620.98
City of San Francisco, Parks	3,546.60				-193.68	3,352.92
City of San Francisco, Public Utilities		69.92				69.92
City of San Mateo, Wastewater Treatment	506.85					506.85
City of South San Francisco Water Quality	197.70					197.70
H.L. Peninsula Hot Pot & Grill	71.23	238.63				309.86
San Francisco Int'l Airport	4,553.75	277.96				4,831.71
Sewer Authority Mid-Coastside	100.43					100.43
Silicon Valley Clean Water	419.72					419.72
Stanford University - Jasper Ridge	3,927.49	2,720.66				6,648.15
TOTAL	\$ 40,688.74	\$ 8,811.70	\$ 100.43	\$ 0.00	\$ 290.92	\$ 49,891.79

San Mateo County Mosquito & Vector Control District
A/R Aging Summary
As of September 30, 2026

09/30/2026

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
California Invasive Plant Council	16,102.78		5,504.53			21,607.31
City of Foster City	6,561.91				463.47	7,025.38
City of Pacifica Public Works Wastewater				100.43		100.43
City of Redwood City, Public Works	4,599.85				21.13	4,620.98
City of San Francisco, Parks	3,546.60				-193.68	3,352.92
City of San Mateo, Wastewater Treatment	506.85					506.85
H.L. Peninsula Hot Pot & Grill	71.23					71.23
San Francisco Int'l Airport	4,363.45					4,363.45
Sewer Authority Mid-Coastside	100.43					100.43
Stanford University - Jasper Ridge	3,927.49		2,720.66			6,648.15
TOTAL	\$ 39,780.59	\$ 0.00	\$ 8,225.19	\$ 100.43	\$ 290.92	\$ 48,397.13

San Mateo County Mosquito and Vector Control District
Cash Activity & Reconciliation to County Statement
General Fund
August 31, 2026

**GF-Aug
2026**

Beginning Cash per District as of Jul 31, 2026	4,300,633
Reductions	
Payroll Related (ADP)	(267,523)
Checks Written	(233,823)
Bank Fee	(133)
Total Reductions	<u>(501,480)</u>
Additions	
Abatement Services	31,013
Quarterly Interest	-
Property Tax Revenue	1,928
ERAF Rebate	379,411
Special Benefit Assessment	7,822
Misc Deposit	1,317
Total Additions	<u>421,491</u>
Ending Cash per District as of Aug 31, 2026	<u><u>4,220,644</u></u>
Cash per County General Fund Statement	4,220,644
Difference	-

COUNTY OF SAN MATEO Verbose [D E T A I L E D T R I A L B A L A N C E] 08/01/2026-08/31/2026 Page 2
MON, SEP 14, 2026, 11:20 AM --req: EASRANIN--leg: GL JL--loc: CONTROL---job:18894679 J515---prog: GL501 <1.86>--report id: GLTBAL01

SORT ORDER: SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02705-02706

Lg SUB UNIT Title	Director	St Tr	FDGP	FUND	SUB FUND	DEPT	DIVISION	SECTION	PROGRAM	BUDGET
GL 02706 County Mosquito Abatemen	Controller	A	07	02706	02706	00140	00000	00000	00000	00000
SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance				
0111 Claim on Cash			Prior to 08/01/26	6,107,910.06	1,807,277.42	4,300,632.64				
	08/01/26	RJ15CFT2	Daily Cash Float Tsfr-Op Fd JE	12,489.58	0.00	4,313,122.22				
	08/11/26	RJ15CFT2	Daily Cash Float Tsfr-Op Fd JE	11,759.99	0.00	4,324,882.21				
	08/12/26	JE596241	AutoID: JVD08122 Job: 18840 JE	0.00	133.40	4,324,748.81				
	08/20/26	ER1682026	AutoID: ITX08202 Job: 18853 JE	346,333.08	0.00	4,671,081.89				
	08/20/26	ER4682026	AutoID: ITX08202 Job: 18853 JE	33,077.72	0.00	4,704,159.61				
	08/25/26	RJ15CFT2	Daily Cash Float Tsfr-Op Fd JE	15,902.96	0.00	4,720,062.57				
	08/27/26	SPS682726	AutoID: ITX08272 Job: 18864 JE	1,928.08	0.00	4,721,990.65				
	08/31/26	JE596965	AutoID: JNE09022 Job: 18878 JE	0.00	501,346.24	4,220,644.41				
	DR		* SUB ACCT Total *	6,529,401.47*	2,308,757.06*	4,220,644.41*				

San Mateo County Mosquito and Vector Control District
Cash Activity & Reconciliation to County Statement
Capital Project Fund
August 31, 2026

CPF-Aug
2026

Beginning Cash per District as of Jul 31, 2026	381,286
Reductions	
Checks Written	(164,689)
Bank Fee	(124)
Total Reductions	<u>(164,813)</u>
Additions	
Quarterly Interest	-
Void CK#1343-Lost in the mail	11,460
Total Additions	<u>11,460</u>
Ending Cash per District as of Aug 31, 2026	<u><u>227,933</u></u>
Cash per County Capital Project Fund Statement	227,933
Difference	-

COUNTY OF SAN MATEO Verbose [D E T A I L E D T R I A L B A L A N C E] 08/01/2026-08/31/2026 Page 1
MON, SEP 14, 2026, 11:20 AM --req: EASRANIN--leg: GL JL--loc: CONTROL---job:18894679 J515---prog: GL501 <1.86>--report id: GLTBAL01

SORT ORDER: SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02705-02706

Lg SUB UNIT Title	Director	St Tr	FDGP	FUND	SUB FUND	DEPT	DIVISION	SECTION	PROGRAM	BUDGET
GL 02705 SMC Mosq Abate-CP Proj	F Controller	A	07	02705	02705	00140	00000	00000	00000	00000

SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance
0111 Claim on Cash			Prior to 08/01/26	919,533.77	538,247.97	381,285.80
	08/06/26	JE596976	AutoID: JNE09022 Job: 18877 JE	11,460.00	0.00	392,745.80
	08/12/26	JE596241	AutoID: JVD08122 Job: 18840 JE	0.00	123.77	392,622.03
	08/31/26	JE596965	AutoID: JNE09022 Job: 18878 JE	0.00	164,689.44	227,932.59
	DR		* SUB ACCT Total *	930,993.77*	703,061.18*	227,932.59*

San Mateo County Mosquito and Vector Control District
ADP Payroll Disbursement
August 31, 2026

Aug 2026

August 14, 2026

August 28, 2026

Footnotes:

Payroll ACH Disbursement (including Net Pay & Taxes)

Total Net Pay	97,031	97,311
Federal W/H Tax	19,616	19,706
Social Security Tax	1,621	1,637
Medicare	4,416	4,420
CA W/H Tax	8,393	8,429
CA SUI/DI	2,097	2,039
Total	133,175	133,542

— A

ADP Process Fees **PPE 7/11, 7/25**

294

331

ADP Fee **Time & Attendance 08/07**

181

Total amount for the period:

133,650

133,873

Total amount for the month:

267,523

Footnotes:

A. Social Security expenditure incurred for seasonal employees and Trustees stipends

San Mateo County Mosquito & Vector Control District

Check Register (General Fund 02706)

As of August 31, 2026

GF-Aug 2026

Transaction type	Date	Num	Name	Amount
Checking - US Bank - GF x3353				
Bill Payment (Check)	08/06/2026	4415	Charles P Hansen	-640.69
Bill Payment (Check)	08/06/2026	4416	Dennis J Jewell	-640.69
Bill Payment (Check)	08/06/2026	4417	San Mateo County Retirement Association	-45,497.95
Bill Payment (Check)	08/06/2026	4418	U.S. Bank PARS Account # 6746022400	-699.44
Bill Payment (Check)	08/06/2026	4419	Aim To Please Janitorial Services	-1,200.00
Bill Payment (Check)	08/06/2026	4420	Airgas Dry Ice	-973.56
Bill Payment (Check)	08/06/2026	4421	Amazon Capital Services	-3,533.20
Bill Payment (Check)	08/06/2026	4422	American Fidelity Assurance Company	-2,350.80
Bill Payment (Check)	08/06/2026	4423	Bay Alarm Company	-756.75
Bill Payment (Check)	08/06/2026	4424	Cintas Corporation #0464	-721.25
Bill Payment (Check)	08/06/2026	4425	Civic Plus, LLC	-575.40
Bill Payment (Check)	08/06/2026	4426	Clarke Mosquito Control Products, Inc.	-60.96
Bill Payment (Check)	08/06/2026	4427	Colorprint	-897.97
Bill Payment (Check)	08/06/2026	4428	Culligan Quench	-236.76
Bill Payment (Check)	08/06/2026	4429	Eco Medical Inc.	-115.00
Bill Payment (Check)	08/06/2026	4430	Eric Eckstein	-288.33
Bill Payment (Check)	08/06/2026	4431	Flyers Energy LLC	-5,093.18
Bill Payment (Check)	08/06/2026	4432	Franchise Tax Board	-50.00
Bill Payment (Check)	08/06/2026	4433	Kim Keyser	-300.00
Bill Payment (Check)	08/06/2026	4434	O'Reilly Automotive, Inc.	-1,183.38
Bill Payment (Check)	08/06/2026	4435	ODP Business Solutions, LLC	-156.06
Bill Payment (Check)	08/06/2026	4436	RankPlus SEO	-742.00
Bill Payment (Check)	08/06/2026	4437	Regional Government Services	-562.94
Bill Payment (Check)	08/06/2026	4438	RMT Landscape Contractors, Inc.	-544.50
Bill Payment (Check)	08/06/2026	4439	Sacramento County Dept of Child Support	-220.38
Bill Payment (Check)	08/06/2026	4440	San Mateo Daily Journal	-3,222.00
Bill Payment (Check)	08/06/2026	4441	Sierra Bravo Air and Land, LLC	-5,000.00
Bill Payment (Check)	08/06/2026	4442	Spark Creative Design	-4,388.50
Bill Payment (Check)	08/06/2026	4443	Standard Insurance Company	-1,550.68
Bill Payment (Check)	08/06/2026	4444	T-Mobile	-217.22
Bill Payment (Check)	08/06/2026	4445	Target Specialty Products	-3,008.32
Bill Payment (Check)	08/06/2026	4446	UAV Ag Solutions, LLC	-2,150.00
Bill Payment (Check)	08/06/2026	4447	Veseris	-543.17
Bill Payment (Check)	08/06/2026	4448	Verizon	-1,825.43
Bill Payment (Check)	08/11/2026	4449	San Mateo County Retirement Association	-1,929.29
Bill Payment (Check)	08/21/2026	4450	Great-West Life & Annuity Co	-9,758.87
Bill Payment (Check)	08/21/2026	4451	San Mateo County Retirement Association	-47,427.24
Bill Payment (Check)	08/21/2026	4452	U.S. Bank PARS Account # 6746022400	-699.44
Bill Payment (Check)	08/21/2026	4453	Brian Weber	-301.00
Bill Payment (Check)	08/21/2026	4454	Casey Stevenson	-301.00
Bill Payment (Check)	08/21/2026	4455	Richard Arrow	-301.00
Bill Payment (Check)	08/21/2026	4456	Ag-Bee LLC	-2,500.00
Bill Payment (Check)	08/21/2026	4457	Airgas Dry Ice	-976.00
Bill Payment (Check)	08/21/2026	4458	American Fidelity Assurance	-425.88
Bill Payment (Check)	08/21/2026	4459	Bay Alarm Company	-510.00
Bill Payment (Check)	08/21/2026	4460	CalPERS	-40,115.75

San Mateo County Mosquito & Vector Control District

Check Register (General Fund 02706)

As of August 31, 2026

GF-Aug 2026

Transaction type	Date	Num	Name	Amount
Bill Payment (Check)	08/21/2026	4461	Colorprint	-4,762.79
Bill Payment (Check)	08/21/2026	4462	Comcast	-362.61
Bill Payment (Check)	08/21/2026	4463	Flyers Energy LLC	-4,214.89
Bill Payment (Check)	08/21/2026	4464	Franchise Tax Board	-50.00
Bill Payment (Check)	08/21/2026	4465	FRMS	-3,236.15
Bill Payment (Check)	08/21/2026	4466	Fusion, LLC	-581.95
Bill Payment (Check)	08/21/2026	4467	General Logistics Systems US, Inc	-11.52
Bill Payment (Check)	08/21/2026	4468	Grainger	-361.14
Bill Payment (Check)	08/21/2026	4469	Jarvis Fay LLP	-7,754.00
Bill Payment (Check)	08/21/2026	4470	Lampire Biological Laboratories, Inc.	-410.03
Bill Payment (Check)	08/21/2026	4471	Pacific Office Automation Inc	-328.83
Bill Payment (Check)	08/21/2026	4472	PG&E	-1,406.92
Bill Payment (Check)	08/21/2026	4473	Purchase Power	-541.34
Bill Payment (Check)	08/21/2026	4474	Rachel Curtis	-475.60
Bill Payment (Check)	08/21/2026	4475	Recology San Mateo County	-619.07
Bill Payment (Check)	08/21/2026	4476	RMT Landscape Contractors, Inc.	-544.50
Bill Payment (Check)	08/21/2026	4477	Sacramento County Dept of Child Support	-165.00
Bill Payment (Check)	08/21/2026	4478	Target Specialty Products	-207.19
Bill Payment (Check)	08/21/2026	4479	UAV Ag Solutions, LLC	-2,150.00
Bill Payment (Check)	08/21/2026	4480	U.S. Bank	-10,447.77
TOTAL CHECKS				-233,823.28
Total Checking -US Bank - x3353 (Charged to General Fund #02706)				-233,823.28

Note: Previous month's check numbers were 4353-4414. Current month's check numbers are 4415-4480 (66 checks).

San Mateo County Mosquito & Vector Control District
Check Register (Capital Fund 02705)
As of August 31, 2026

CPF-Aug 2026

Transaction type	Date	Num	Name	Amount
1023 · Checking -US Bank - x4183				
Bill Payment (Check)	08/06/2026	1360	Aetypic, Inc.	-11,460.00
Bill Payment (Check)	08/06/2026	1361	Aetypic, Inc.	-27,998.00
Bill Payment (Check)	08/06/2026	1362	Beals Martin Inc	-121,413.80
Bill Payment (Check)	08/06/2026	1363	Enterprise FM Trust	-3,817.64
TOTAL CHECKS				-164,689.44
Total · Checking -US Bank - x4183 (Charged to Capital Project Fund #02705)				-164,689.44

Note: Previous month's check numbers were 1353-1359. Current month's check numbers are 1360-1363 (4 checks).

Account Number : XXXXXXXXXX
Unique ID: XXXX XXXX XXXX 0569
SMCMAD
Statement Date : 08-24-2026

Aug
2026



Page 1 of 4

Corporate Account Summary		Payment Information	
Previous Balance	\$33,405.18	Amount Due	\$35,353.33
Purchases and Other Charges	\$24,905.56	Payment due in accordance with your agreement with U.S. Bank.	
Cash Advances	\$0.00		
Cash Advance Fees	\$0.00		
Late Payment Charges	\$0.00		
Credits	\$0.00 CR	QUESTIONS OR TO REPORT A LOST OR STOLEN CARD, CALL CUSTOMER SERVICE 1-800-344-5696	
Payments	\$22,957.41 PY		
New Balance	\$35,353.33	To overnight or courier a payment, please send to: Corporate Payment Systems 3180 Rider Trail S, Department 790428 Earth City, MO 63045-1518	
Disputed Amount	\$0.00		

Account Messages	
Your account is past due \$10,447.77. Past due amount is included in the amount due. Please remit immediately.	

Corporate Account Activity	
SMCMAD Account Number: XXXXXXXXXX Unique ID: XXXX XXXX XXXX 0569	Total Corporate Activity \$22,957.41 CR

Post Date	Tran Date	Reference Number	Transaction Description	Amount
07-27	07-24	74798266208000000000487	PAYMENT - THANK YOU 00000 C	22,957.41 PY

New Activity	
ANGELA NAKANO Account Number: XXXXXXXXXX Unique ID: XXXX XXXX XXXX 2215	Purchases \$2,644.33 Cash Advances \$0.00 Cash Advances Fees \$0.00 Credits \$0.00 CR Total Activity \$2,644.33

Post Date	Tran Date	Reference Number	Transaction Description	Amount
08-12	08-11	24231686224855926094958	OUTDOOR SUPPLY MILLBRAE MILLBRAE CA	55.74
08-14	08-14	24692166226302825079510	CARON PRODUCTS & SERVI 740-374-2770 OH	723.87
				(transactions continued on next page)

Payment may be made electronically or by check made payable to Corporate Payment Systems.

CORPORATE PAYMENT SYSTEMS
P.O. BOX 6343
FARGO, ND 58125-6343

003535333 003535333

Account Number: XXXXXXXXXX
Unique ID: XXXX XXXX XXXX 0569
Amount Due: \$35,353.33

Amount Enclosed \$ 24,905.56

If paying by check, include coupon with payment to address below.

CORPORATE PAYMENT SYSTEMS
P.O. BOX 790428
ST. LOUIS, MO 63179-0428

00000002436 000638234742300 P 2
SMCMVCD
ATTN DISTRICT MANAGER
1351 ROLLINS RD
BURLINGAME CA 94010-2409

Account Number : [REDACTED]

Unique ID: XXXX XXXX XXXX 0569

Statement Date : 08-24-2026

New Activity cont

08-20	08-19	24036296231744430735981	LIFETECHCORP*16363928 800-955-6288 CA	1,840.60
08-21	08-20	24036296232716598047010	LIFETECHCORP*16363928 800-955-6288 CA	24.12

CASEY STEVENSON	Purchases	\$202.10	Total Activity	\$202.10
Account Number: [REDACTED]	Cash Advances	\$0.00		
Unique ID: XXXX XXXX XXXX 2243	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
07-27	07-23	24231686205833671126625	SAFEWAY #0639 SAN MATEO CA	19.69
07-27	07-25	24692166206402110727569	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			546800 ARRIVAL:08-24-26	

BRIAN WEBER	Purchases	\$15,999.07	Total Activity	\$15,999.07
Account Number: [REDACTED]	Cash Advances	\$0.00		
Unique ID: XXXX XXXX XXXX 4041	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
07-27	07-25	24692166206402110727825	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			550400 ARRIVAL:08-24-26	
07-29	07-28	24036296209712859740012	LIFETECHCORP*16241830 800-955-6288 CA	361.77
07-30	07-29	24036296210718015378727	LIFETECHCORP*16241830 800-955-6288 CA	3,671.01
08-04	08-03	24036296215712884727549	LIFETECHCORP*16241830 800-955-6288 CA	390.29
08-05	08-05	24011346217100047762282	MICROSOFT#G175049724 MICROSOFT.COM WA	2,160.00
08-10	08-09	24011346221100018234885	MSFT * E010104BLQ MICROSOFT.COM WA	3,528.00
08-10	08-09	24011346221100018284088	MSFT * E010104B0B MICROSOFT.COM WA	239.76
08-10	08-09	24011346221100018403571	MSFT * E010104DC6 MICROSOFT.COM WA	840.00
08-10	08-08	24430996220852100875258	MSFT * E010104EY0 MSBILL.INFO WA	1,200.00
08-11	08-10	24443466222264476426244	B&H PHOTO 800-606-6969 800-2215743 NY	3,296.83
08-12	08-11	24492166224100004887693	JUSTICE CLEARINGHOUSE JUSTICECLEARI CO	129.00

SMCMVCD ADMIN	Purchases	\$6,060.06	Total Activity	\$6,060.06
Account Number: [REDACTED]	Cash Advances	\$0.00		
Unique ID: XXXX XXXX XXXX 1667	Cash Advances Fees	\$0.00		
	Credits	\$0.00 CR		

Post Date	Tran Date	Reference Number	Transaction Description	Amount
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(transactions continued on next page)

Account Number : XXXXXXXXXX
Unique ID: XXXX XXXX XXXX 0569
Statement Date : 08-24-2026

New Activity cont				
07-24	07-24	24204296205000686864096	GOOGLE ADS3907138857 650-2530000 CA	1,000.00
07-27	07-24	24692166205400891715770	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			165800 ARRIVAL:08-24-26	
07-27	07-24	24692166205400891716448	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			506500 ARRIVAL:08-24-26	
07-27	07-24	24692166205401061570599	SQ *NEW AUTO GLASS BURLINGAME CA	350.00
07-27	07-25	24692166206402110727031	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			165500 ARRIVAL:08-24-26	
07-27	07-25	24692166206402110727049	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			165600 ARRIVAL:08-24-26	
07-27	07-25	24692166206402110727056	MARRIOTT DESERT SPRING PALM DESERT CA	182.41
			165700 ARRIVAL:08-24-26	
07-27	07-23	24943016205010198505248	THE HOME DEPOT #0632 SAN MATEO CA	131.24
07-29	07-28	24231686210839312658309	OUTDOOR SUPPLY MILLBRAE MILLBRAE CA	31.70
08-03	08-01	24000776213100038931818	MOSYLE BUS* MOSYLE_BUS BUSINESS.MOSY FL	41.25
08-03	08-01	24204296213001585008096	GOOGLE ADS3907138857 650-2530000 CA	330.70
08-03	07-31	24240526212842515110651	PESTED.COM, LLC 845-481-4048 NY	165.75
08-03	08-01	24492166213100025587002	YELPCOM* 855-380-9357 YELP.COM CA	90.00
08-13	08-11	24707806224030043244394	MISAC 714-738-5309 CA	825.00
08-13	08-11	24707806224030043244402	MISAC 714-738-5309 CA	130.00
08-13	08-11	24943016224010187428052	HOMEDEPOT.COM 800-466-3337 GA	87.63
08-17	08-16	24692166228305704020792	BLICK ART MATERIALS 833-315-0399 IL	379.74
08-17	08-17	24692166229406106155001	THE INK SPOT 623-780-3204 AZ	585.00
08-20	08-19	24803946232920010092684	GOOGLE*ADS3907138857 650-2530000 CA	1,000.00
			Department: 00000	Total: \$24,905.56
			Division: 00000	Total: \$24,905.56

SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Credit Card Report
August 2026

Date	Type	Name	Memo/Description	Split	Amount
US Bank Purchase Card					
US Bank Visa Brian x2315					
07/25/2026	Expense	Marriott	First-night hotel reserv for Brian CSDA conf. 8/24/26-8/27/26	5215 TRAINING - BOARD & STAFF:Conferences / Workshops Staff	182.41
08/03/2026	Expense	Life Technologies Corp	Restocking materials for WNV and TBD testing	5805 LABORATORY:Disease Surveillance	4,423.07
08/05/2026	Expense	Microsoft	Microsoft 365 Copilot 8/4/26-8/3/27	5475 COMPUTER HARDWARE & SOFTWARE:Website Hosting / Microsoft	2,160.00
08/09/2026	Expense	Microsoft	Microsoft 365 Business Standard 7/15/26-7/14/27	5475 COMPUTER HARDWARE & SOFTWARE:Website Hosting / Microsoft	3,528.00
08/09/2026	Expense	Microsoft	Microsoft 365 Business Basic 7/15/26-7/14/27	5475 COMPUTER HARDWARE & SOFTWARE:Website Hosting / Microsoft	840.00
08/09/2026	Expense	Microsoft	Microsoft Power BI Pro 7/15/26-7/14/27	5475 COMPUTER HARDWARE & SOFTWARE:Website Hosting / Microsoft	239.76
08/09/2026	Expense	Microsoft	Microsoft Exchange Online (Plan 1) 7/15/26-7/14/27	5475 COMPUTER HARDWARE & SOFTWARE:Website Hosting / Microsoft	1,200.00
08/10/2026	Expense	B&H Photo	Hardware refresh for aging 3D printer	5460 COMPUTER HARDWARE & SOFTWARE:Computer Hardware	3,296.83
08/11/2026	Expense	Misc-Admin	Justice Clearinghouse annual subscription	5330 ADMINISTRATION:Memberships & Subscriptions	129.00
Total for US Bank Visa Brian x2315					\$ 15,999.07
US Bank Visa Admin x9067					
07/24/2026	Expense	Google Inc.	Raise awareness of dist. services July	5910 PUBLIC OUTREACH:Media and Network	1,000.00
07/24/2026	Expense	Misc- Ops	New Auto Glass-replace windshield truck #45	5615 FLEET MAINTENANCE:Garage Repairs Outside	350.00
07/24/2026	Expense	Home Depot	2 stroke fuel and supplies for OPS	5630 FLEET MAINTENANCE:Ops Equipment & Repairs	131.24
07/25/2026	Expense	Marriott	First-night hotel reserv. for Rich CSDA conf. 8/24/26-8/27/26	5215 TRAINING - BOARD & STAFF:Conferences / Workshops Staff	182.41
07/25/2026	Expense	Marriott	1st night reserv-Trustees Smith, Fregulia, Yoshida, Walsh-CSDA 8/24-8/27	5210 TRAINING - BOARD & STAFF:Conferences / Workshops Board	729.64
07/28/2026	Expense	Outdoor Supply Hardw	Shop supplies	5620 FLEET MAINTENANCE:Auto, Hotsy, Plug, Boat, Traile	31.70
07/31/2026	Expense	Misc- Ops	DPR CEU package for drone license	5215 TRAINING - BOARD & STAFF:Conferences / Workshops Staff	165.75
08/01/2026	Expense	Yelp	Raise awareness of district services	5910 PUBLIC OUTREACH:Media and Network	90.00
08/01/2026	Expense	Google Inc.	Raise awareness to dist. services	5910 PUBLIC OUTREACH:Media and Network	330.70
08/01/2026	Expense	Mosyle Business	Mosyle business subscription	5465 COMPUTER HARDWARE & SOFTWARE:Computer Software	41.25
08/11/2026	Expense	MISAC	MISAC conf. reg. for IT Director Matt 9/27-9/30/2026	5215 TRAINING - BOARD & STAFF:Conferences / Workshops Staff	825.00
			MISAC membership renewal	5330 ADMINISTRATION:Memberships & Subscriptions	130.00
08/11/2026	Expense	Home Depot	Materials for YJ nests	5705 OPERATIONS:Pesticides	87.63
08/16/2026	Expense	Misc- Outreach	Blick Art-educational art/science materials for outreach	5910 PUBLIC OUTREACH:Media and Network	379.74
08/17/2026	Expense	Misc- Outreach	Ink Spot-educational materials for outreach	5910 PUBLIC OUTREACH:Media and Network	585.00
08/19/2026	Expense	Google Inc.	Raise awareness of district services August	5910 PUBLIC OUTREACH:Media and Network	1,000.00
Total for US Bank Visa Admin x9067					\$ 6,060.06
US Bank Visa Angie x8413					

SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT
Credit Card Report
August 2026

Date	Type	Name	Memo/Description	Split	Amount
08/11/2026	Expense	Outdoor Supply Hardw	Ant bait and flashlights	5825 LABORATORY:Lab Supplies	55.74
08/14/2026	Expense	Misc-Lab	Caron-maint. kit for condensate recirculator	5840 LABORATORY:Lab Equip. Maintenance	723.87
08/19/2026	Expense	ThermoFisher Scientific	Restocking lab for PCR testing	5845 LABORATORY:Lab PCR Supplies	1,864.72
Total for US Bank Visa Angie x8413					\$ 2,644.33
US Bank Visa Casey x8447					
07/25/2026	Expense	Safeway Store	Office expense	5335 ADMINISTRATION:Office Expense	19.69
08/11/2026	Expense	Marriott	First-night hotel reserv. for Casey CSDA conference 8/24/26-8/27/26	5215 TRAINING - BOARD & STAFF:Conferences / Workshops Staff	182.41
Total for US Bank Visa Casey x8447					\$ 202.10
Total for US Bank Purchase Card					\$ 24,905.56

Agenda Item 6A

BOARD COMMITTEE REPORTS

SUBJECT: Finance Committee

Finance Committee members met on October 5, 2026. Attendees included Finance Committee Chair Kati Martin, Ron Collins, Laura Walsh, Muhammad Baluom, Michael Yoshida, Michael Goldman, and Robert Riechel.

The staff attending included District Manager Brian Weber, Finance Director Richard Arrow, Information and Technology Director Matthew Nienhuis, and Bill Morton representing Muni Financial. Also attending was Allan Martin, trustee from Atherton.

REVIEW OF CONSTRUCTION PROJECT

District Manager Brian Weber reported on the status of the construction project at 1415 N. Carolan. The total budget approved for phase 2 was \$10,100,000; expenditures for construction plans to date were \$1,808,845; and total expenditures since the property was purchased were \$1,966,097.

Work completed in September 2026

1. Weekly meetings continued with AETYPIC, CPM, Beals Martin, Brokaw Design, and District staff.
2. Foundation work advanced: underground plumbing was completed and inspected, most footings were placed, spread footing work continued, and the elevator pit slab was prepared.
3. Structural work progressed, including shear wall framing, interior layout, glulams, roof framing upgrades, and roof post anchors.
4. Roof work continued, with TPO roofing delayed about one week for remaining open items and weather head coordination.
5. Dewatering is complete
6. The encroachment permit was issued

REVIEW OF PRELIMINARY FINANCIAL REPORT AS OF August 31, 2026

Finance Director Richard Arrow reviewed the August 31, 2026, report with the committee, along with highlights affecting district financial operations. Total reserves, including the Real Property Acquisition Reserve, amount to \$ 11,078,576. The committee discussed revenue and expenditure variances, which were generally immaterial at this point in the year. It was unanimously agreed to recommend the August 31, 2026, financial report to the Board of Trustees for approval on the consent calendar at the next meeting.

DISCUSSION OF FINANCING UP TO 50% OF THE CAROLAN AVE PROJECT

The Board previously directed staff to pursue financing options for up to 50% of the total cost of the 1415 N. Carolan Avenue capital building project. Following that authorization, Municipal Finance Corporation, through Bill Morton, issued a request for proposals to potential lending institutions. Five institutions responded: U.S. Bancorp Government Leasing & Finance, Webster Bank, Capital One Public Funding, EverBank, and Columbia Bank.

Staff and the Finance Committee recommend that the Board of Trustees:

1. Select U.S. Bancorp Government Leasing & Finance as the preferred lender for a 15-year financing of up to \$5 million at the quoted 4.98 percent rate, subject to final verification of fees, rate lock, credit approval, legal review, and mutually acceptable financing documents;
2. Identify Webster Bank as the preferred 20-year alternative at the quoted 5.15 percent rate if the Board determines that lower annual debt service is a greater priority than minimizing total borrowing cost; and
3. Authorize staff and Municipal Finance Corporation to complete final due diligence and return to the Board with the final financing documents and all required approvals before closing.

DISCUSSION AND DIRECTION REGARDING EARTHQUAKE INSURANCE EVALUATION

Staff presented several initial steps for evaluating earthquake insurance (for both buildings and storage areas), including obtaining preliminary premium estimates, researching historical District decisions, surveying peer agencies, and exploring post-retrofit seismic risk analysis options. The Difference in Conditions proposal received was for approximately \$12.2 million in total insured value at an annual cost of \$51,686, including fees. Applying the same quoted rate and fee structure for planning purposes, \$20 million in coverage would cost approximately \$84,050 annually, and \$30 million in coverage would cost approximately \$125,450 annually. The \$20 million and \$30 million figures are estimates only and would require carrier underwriting and formal quotations.

After reviewing the information, the Finance Committee determined that additional analysis is needed to provide a more complete picture of the District's earthquake risk and insurance needs. Staff will therefore proceed with a post-retrofit seismic risk assessment by Partner Engineering & Science, Inc., which will provide updated information on the District's remaining earthquake exposure and help guide future discussions on insurance coverage and risk management.

The meeting adjourned at 6:35 P.M.

Agenda Item 6B

SUBJECT: Selection of U.S. Bancorp and Approval of 15-Year Financing for the 1415 N. Carolan Avenue Capital Building Project**SUMMARY**

The Board previously directed staff to pursue financing options for up to 50% of the total cost of the 1415 N. Carolan Avenue capital building project. After that authorization, Municipal Finance Corporation, through Bill Morton, issued a request for proposals to potential lenders. Five institutions responded: U.S. Bancorp Government Leasing & Finance, Webster Bank, Capital One Public Funding, EverBank, and Columbia Bank.

Staff and Municipal Finance Corporation evaluated the proposals based on interest rate, estimated annual debt service, total scheduled borrowing cost, prepayment provisions, rate-lock period, and known financing fees. U.S. Bancorp Government Leasing & Finance offered the strongest 15-year proposal, while Webster Bank offered the strongest 20-year proposal. After reviewing both options, the Finance Committee recommended that the Board approve U.S. Bancorp for a 15-year financing of up to \$5 million at the quoted 4.98 percent rate because it provides the lowest stated rate, the lowest scheduled borrowing cost among the proposals reviewed, and the greatest prepayment flexibility.

BACKGROUND

The Board's prior approval authorized staff to pursue financing of up to \$5 million, representing approximately 50 percent of the total construction cost. Combining District cash with long-term financing preserves operating liquidity and reserves for potential financial, natural disaster, and public health emergencies while distributing a portion of the facility cost over its service life.

After Board approval, Municipal Finance Corporation issued an RFP for \$5 million in tax-exempt, bank qualified lease-purchase financing. Below is a table of those responses.

Respondent	15-Year Rate	20-Year Rate	Prepayment Assessment	Known Fees	Staff Assessment
U.S. Bancorp Government Leasing & Finance	4.98%	N/A	Excellent; 10% annual partial prepayment and most flexible call terms	\$15,000	Best 15-year option
Webster Bank	5.00%	5.15%	Good; par after applicable call period	Lessor legal fee not to exceed \$7,500	Best 20-year option
Capital One Public Funding	5.06%	5.19%	Fair; partial prepayments allowed	\$20,000	Competitive
EverBank	5.15%	5.23%	Good; no partial prepayments	\$15,000	Higher rate
Columbia Bank	5.36%	5.45%	Very good call terms; no partial prepayments	\$15,000 plus MFC costs	Highest stated rates

DISCUSSION

Preferred 15-Year Proposal: U.S. Bancorp Government Leasing & Finance

U.S. Bancorp submitted the lowest 15-year rate at 4.98 percent. Based on the reviewed amortization schedule, the estimated annual payment is approximately \$477,000, the scheduled total debt service is \$7,155,009.42, and the scheduled total interest is \$2,155,009.42. The financing also provides flexible prepayment terms, including the ability to make an annual partial prepayment equal to 10 percent of the outstanding principal beginning December 4, 2027. These features provide the District with the lowest scheduled borrowing cost and the greatest ability to reduce debt early.

Webster Bank's 15-year rate is only two basis points higher at 5 percent, but its scheduled debt service is approximately \$9,540 greater over the loan term based on the amortization schedules provided. Although this cost difference is modest, U.S. Bancorp remains preferable because it combines the lowest cost with better prepayment flexibility.

Preferred 20-Year Proposal: Webster Bank

Webster Bank submitted the lowest 20-year rate at 5.15 percent. Based on the reviewed amortization schedule, the estimated annual payment is \$403,467.21, estimated total debt service is \$8,065,982.07, and estimated total interest is \$3,065,982.07. Capital One's 20-year proposal is close at 5.19 percent, but Webster provides the lower stated rate and lower scheduled borrowing cost. Webster's stated lessor legal fee is also capped at \$7,500, providing greater fee certainty than proposals with unspecified or higher known fees.

The 20-year option would reduce annual debt service by approximately \$73,799 compared with the 15-year U.S. Bancorp option. However, it would increase total scheduled interest by approximately \$910,973 if the financing remains outstanding to maturity. The longer term therefore provides additional annual budget flexibility, but at a materially higher total cost.

Recommended Financing Path

Based on the proposal evaluation, staff recommended the 15-year U.S. Bancorp financing to the Finance Committee. The District intended to finance part of the project to preserve reserves and operating flexibility while avoiding unnecessary long-term borrowing costs. The 15-year option preserves \$5 million in District liquidity, retires the financing five years sooner, and avoids approximately \$911,000 in additional scheduled interest compared with Webster Bank's 20-year option.

The Finance Committee reviewed the proposal comparison, agreed with staff's evaluation, and recommended that the Board select U.S. Bancorp Government Leasing & Finance for a 15-year financing at the quoted 4.98 percent rate. Staff has continued its due diligence by reviewing the proposed costs, rate-lock requirements, prepayment terms, financing documents, credit conditions, and required legal approvals. Board approval would remain subject to confirmation that the final resolutions and financing contracts are consistent with the terms evaluated and acceptable to District Counsel.

FISCAL IMPACT

Preferred Option	Rate	Est. Annual Payment	Est. Total Debt Service	Est. Total Interest
U.S. Bancorp, 15 years	4.98%	Approx. \$477,000	\$7,155,009.42	\$2,155,009.42
Webster Bank, 20 years	5.15%	\$403,467.21	\$8,065,982.07	\$3,065,982.07

The 20-year Webster option considered by the Finance Committee lowers estimated annual debt service by approximately \$73,799 but increases scheduled total interest by approximately \$910,973 compared with the 15-year U.S. Bancorp option. While this is attractive from a monthly savings perspective, the committee ultimately believed paying off the debt sooner, while still potentially accruing interest on the reserves, was the more financially prudent decision.

The proposed financing documents include the District resolution, Site Lease, Lease Agreement, Memorandum of Lease Agreement, Assignment Agreement, and Federal Tax Agreement. The financing provides up to \$5 million in principal at 4.98 percent through November 1, 2041, with scheduled lease payments totaling \$7,155,009.42. A \$50,000 broker fee applies to all financing options and is not unique to the U.S. Bancorp proposal; after this fee, approximately \$4,950,000 would be available for project costs. The obligation is secured through a leasehold interest in the District's 1351 Rollins Road property, assignment of the lease payments and related rights to U.S. Bancorp, title insurance, and rights to applicable insurance and condemnation proceeds. Beginning December 4, 2027, the District may prepay the financing in full with 30 days' notice at 103 percent of outstanding principal plus accrued interest, or make one annual partial prepayment equal to 10 percent of outstanding principal at par plus accrued interest. The resolution authorizes the Board President, Vice President, District Manager, Finance Director, or another duly designated District officer to execute the approved documents, subject to review and approval by District Counsel.

RECOMMENDATION:

Staff recommends accepting the Finance Committee's recommendation and adopting Resolution M-007-26, conditionally authorizing lease financing for the N. Carolan Ave. Improvement Project through U.S. Bancorp Government Leasing & Finance, using the District's Rollins Road property, in a principal amount up to \$5 million at an ordinary interest rate not exceeding 4.98 percent, with a scheduled term of 15 years; and authorize the District Manager, in coordination with General Counsel and Municipal Finance Corporation, to complete the remaining due diligence, negotiate revisions, and execute the associated financing documents, subject to General Counsel's approval as to form of the final financing documents before execution, satisfaction of applicable legal requirements and closing conditions, and compliance with the limits and conditions established in the resolution, provided that any final terms exceeding the authority granted by the resolution will require further Board approval.

MATERIALS ATTACHED:

1. 1415 N. Carolan Avenue Financing Comparison Table
2. Bank Proposals (5) dated September 28, 2026
3. Analysis of North Carolan Financing and Payment Schedule
4. Proposed District Resolution and Financing Documents, including the Site Lease, Lease Agreement, Memorandum of Lease Agreement, Assignment Agreement, and Federal Tax Agreement

5. Lease Agreement between SMCMVCD and Muni Finance Corp
6. Assignment Agreement Between US Bancorp and Muni Finance
7. Federal Tax Agreement
8. Memorandum of Lease Agreement

NORTH CAROLAN FACILITY FINANCING COMPARISON

\$5,000,000 Financing | Board Comparison

Item	U.S. Bancorp Government Leasing & Finance	Webster Bank	Capital One Public Funding	EverBank	Columbia Bank
15-Year Rate	4.98%	5.00%	5.06%	5.15%	5.36%
15-Year Rank	1	2	3	4	5
20-Year Rate	N/A	5.15%	5.19%	5.23%	5.45%
20-Year Rank	N/A	1	2	3	4
Prepayment Flexibility	Excellent	Good	Fair	Good	Very Good
Partial Prepayments	Yes, 10% annually	Not specified	Yes	No	No
Par Call / No Penalty	Most flexible	Par after Year 7 / Year 8	Year 7 / Year 8	Year 4 / Year 7	Year 4
Known Fees	\$15,000	Lessor legal fee not to exceed \$7,500	\$20,000	\$15,000	\$15,000 + MFC costs
Overall Assessment	Best 15-year option	Best 20-year option	Competitive	Higher rate	Highest 20-year rate

SCHEDULED LIFE-OF-LOAN COST

U.S. Bancorp Government Leasing & Finance 15 Years	4.98%	\$477,265.78	\$7,155,009.41	\$2,155,009.41
Webster Bank 15 Years	5.00%	\$477,902.15	\$7,164,549.67	\$2,164,549.67
Webster Bank 20 Years	5.15%	\$403,467.21	\$8,065,982.07	\$3,065,982.07
Capital One Public Funding 20 Years	5.19%	\$405,500	\$8.11 million	\$3.11 million

KEY BOARD TAKEAWAY

Priority	Preferred Option
Minimize total borrowing cost	U.S. Bancorp Government Leasing & Finance, 15-year term at 4.98%
Lower annual payments / longer term	Webster Bank, 20-year term at 5.15%

Staff recommendation: Staff recommends the 15-year U.S. Bancorp Government Leasing & Finance proposal because it provides the lowest scheduled total borrowing cost among the amortization schedules reviewed. If the Board prefers lower annual payments and a longer repayment period, the 20-year Webster Bank proposal is the strongest alternative; however, it will reduce annual debt service by roughly \$73,800 compared with the 15-year options while increasing total interest cost by approximately \$911,000 compared with the 15-year U.S. Bancorp option.

Sources: Summary of Bank Proposals dated September 28, 2026; lender term sheets; amortization schedules prepared by Municipal Finance Corporation on September 28, 2026. Scheduled totals shown for U.S. Bancorp 15-year, Webster 15-year, and Webster 20-year options come from the amortization schedules and exclude issuance costs unless otherwise stated.



**San Mateo County Mosquito and Vector Control District
2026 Real Property Lease Purchase Agreement
Term Sheet 9/28/2026**

Columbia Bank ("Columbia" or the "Bank") would like to express its interest in underwriting and obtaining credit approval for the following loan (the "Credit Facility") for **San Mateo County Mosquito and Vector Control District** (the "District") on the terms and conditions outlined below.

Preface: Columbia's expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Columbia. Any commitment to lend that we might make is subject to the fulfillment of several conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the loan, the District, and collateral the results of which are deemed satisfactory to Columbia in our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

- | | |
|----------------------|--|
| Financing Amount: | <ul style="list-style-type: none">• Not to exceed \$5,000,000 (including cost of issuance) |
| Loan Purpose: | <ul style="list-style-type: none">• Provide financing for the District to make improvements to a building acquired in 2021 (the "North Carolan Facility") for use as an operations and maintenance facility. Estimated project cost is \$10,000,000 with the District allocating capital reserves to pay for the project costs not covered by financing proceeds. |
| Lessee: | <ul style="list-style-type: none">• San Mateo County Mosquito and Vector Control District |
| Lessor: | <ul style="list-style-type: none">• Municipal Finance Corporation |
| Assignee: | <ul style="list-style-type: none">• Columbia Bank |
| Leased Asset: | <ul style="list-style-type: none">• The District's existing main administrative facility located on Rollins Road (the "Rollins Facility"). |
| Type of Financing: | <ul style="list-style-type: none">• The Loan will be in the form of an abatement lease purchase agreement with underlying site lease, each between the District and Municipal Finance Corporation (the "Lease and Leaseback Agreements"), and assigned to the Bank pursuant to an assignment agreement, whereby the District will make periodic lease payments to the Bank to pay the principal of, and interest of the loan extended by the Bank to the District. |
| Structure / Security | <ul style="list-style-type: none">• The District's lease payments will be payable from the District's general fund. The District covenants to include lease payments in its annual budget and make the necessary appropriations for all payments due under the lease. The lease payments shall be subject to abatement in the event the District does not have use of the leased asset. |

Investment of Financing Proceed	- The District may deposit the proceeds in a special account that the District will establish with California CLASS, the District will directly disburse funds to pay project costs. - The District can open a Money Market Account with Columbia Bank, and the Bank fee will be waived.	
Term / Lease Payments / Interest Rates	<u>15-Year Term</u> - Equal semi-annual payments May 1 and November 1 - Commencing May 1, 2027, and ending November 1, 2041 - Bank Qualified, Tax-Exempt Fixed Rate: 5.36%	<u>20-Year Term</u> - Equal semi-annual payments May 1 and November 1 - Commencing May 1, 2027, and ending November 1, 2046 - Bank Qualified, Tax-Exempt Fixed Rate: 5.45%
Prepayment Provisions	Prepayment in whole, but not in part, allowed on any payment date during the term at 103% in year 1, declining to 102% in year 2, and 101% in year 3. Prepayable at par beginning in year 4 and thereafter.	
Documentation	- Documents to be drafted by the Bank's legal counsel, Gilmore & Bell, P.C., with delivery of tax opinion addressed to the Bank. The District's Counsel will have an opportunity to review the financing documents. - The District's legal counsel shall be required to provide an opinion addressed to the Bank and its legal counsel regarding the due authorization and validity of the financing documents. - Title Insurance Policy - Completion of Environmental Questionnaire - Evidence of Insurance on leased property, including 24 months of rental interruption insurance coverage	
Cost of Issuance	- Costs of Issuance (to be paid by District): - Gilmore & Bell, P.C. \$15,000 - MFC estimated at \$32,000, and will include all CDIAF filing fees and title insurance - Bank \$3,000 (Fee will be waived if deposit account is opened at the time of closing.) - All fees and related costs (other than set forth above) shall be paid by the District in connection with the issuance, including, but not limited to, legal fees of counsel to the District.	
Financial Reporting and Covenants	- The District shall provide to the Bank upon request or post on the District's website its annual audited financial statements within 270 days of fiscal year end. - The District shall make each of its annual budgets, and all amendments thereto, available on the District's website within 30 days of adoption or send them to the Bank upon request. - Such additional information that the Bank may reasonably request.	
Municipal Disclosure	The District acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the District and Bank and its affiliates, (ii) in connection with such transaction, Bank and its affiliates are acting solely as a	



principal and not as an advisor including, without limitation, a “Municipal Advisor” as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the “Municipal Advisor Rules”), agent or a fiduciary of the District, (iii) Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) Bank and its affiliates and the Bank’s counsel have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not Bank, or any affiliate of Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) Bank and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with its own financial, legal, accounting and other advisors, as applicable, to the extent it deemed appropriate

Material Change	Any change (whether material or not) in the amount to be financed, weighted average life, or a material change in the financial condition or prospects of the District may constitute a re-pricing event and Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.
Proposal Expiration	Unless accepted by the District or extended in writing by the Bank at its sole discretion, this term-sheet shall expire on October 5, 2026. Once accepted, this term sheet shall expire if the financing is not closed November 6, 2026.

Additional Conditions

Periodic financial and collateral reporting by the District, as well as representations and warranties of the District regarding its status and ability to repay and related matters, and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Columbia’s normal underwriting and approval process. The Credit Facility will be subject to a default rate equal to the proposed interest rate of + 3.0% should an event of default occur and continue and standard taxability gross-up provisions.

PDFs of all executed and other documents and opinions listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

Sincerely,

Anastasia Efstathiou

Anastasia Efstathiou
VP/Relationship Manager
Public Finance- Southern Region



Please pursue underwriting and approval of a commitment for the Credit Facility described.

Borrower: SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

By: _____

Printed Name: _____

Title: _____



John Riddle
Managing Director-West Region
Webster Public Finance Corporation
A Subsidiary of Santander Bank N.A.
999 Corporate Drive Suite 100
Ladera Ranch, CA 92694
949.373.0568 | Office
949.370.2907 | Cell
Email: jriddle@websterbank.com
Website: www.websterbank.com

September 28, 2026

San Mateo County Mosquito & Vector Control District
1351 Rollins Road
Burlingame, CA 94010

Subject: **SAN MATEO COUNTY MOSQUITO & VECTOR CONTROL DISTRICT CA LEASE AGREEMENT 2026**

To the San Mateo County Mosquito & Vector Control District:

Webster Bank, National Association ("Webster") is pleased to present this proposal (the "Term Sheet") to the San Mateo County Mosquito & Vector Control District in connection with the above referenced financing request. Working with Webster has several major advantages, including:

- **Experience and Expertise:** Each member of the Webster Public Finance team has significant experience regarding the financing of essential governmental equipment and projects and can help you document your financing in a manner that complies with applicable local laws.
- **Financial Capability:** The Webster Public Finance team is a subsidiary Santander Bank, N.A. a wholly owned subsidiary of the global banking group Banco Santander, headquartered in Spain. Santander is one of the world's largest banking groups, serving millions of customers across Europe, North, Central and South America. We have the capability of funding tax-exempt and taxable financings on a global basis.
- **Reliability:** The Webster Public Finance team prides itself on excellent customer service and the prompt closing of awarded transactions. Webster's experience in California Special Districts is shown in the many recent issuers under current agreement. Some customers include the Greater Los Angeles Vector Control District, Hayward Area Rec & Park District, San Mateo County Mosquito & Vector Control District and Discovery Bay Community Services District to name a few.
- **Simplified Financing Structure:** Webster is proposing to finance renovations of the District's operations and maintenance facility ("North Carolan Facility") and related costs of issuance.

We look forward to working with the District on this important project. Should you have any questions, please do not hesitate to contact me.

Respectfully -

John Riddle

John Riddle
Managing Director
jriddle@websterbank.com



John Riddle
Managing Director-West Region
Webster Public Finance Corporation
A Subsidiary of Santander Bank N.A.
999 Corporate Drive Suite 100
Ladera Ranch, CA 92694
949.373.0568 | Office
949.370.2907 | Cell
Email: jriddle@websterbank.com
Website: www.websterbank.com

TERM SHEET

TYPE OF FINANCING:	Standard California abatement lease structure, lease-leaseback of real property via site lease (the "Lease"), and to be treated as a privately placed loan with Webster Bank.
LESSEE:	San Mateo County Mosquito & Vector Control District, CA (the "District")
LESSOR:	Webster Public Finance Corporation, a Subsidiary of Santander Bank N.A.
SECURITY:	District property expected to be the main administration building/district headquarters on Rollins Road (the "Rollings Facility"), considered essential use and carries a value in excess of the financing amount
LESSEE COUNSEL:	To be determined
LEASE ARRANGER:	Municipal Finance Corporation
COUNSEL TO THE LESSOR:	Gilmore & Bell, P.C.
CLOSING DATE:	On or around November 4, 2026
AMOUNT TO BE FINANCED:	\$5,000,000 inclusive of cost of issuance-amount may change.
INTEREST RATES:	15 year: 5.00% 20 year: 5.15%
TAX STATUS:	Tax Exempt and bank qualified
FINAL MATURITIES:	15 year: 11/01/2041 20 year: 11/01/2046
LEASE PAYMENTS:	Due semi-annually, commencing on 11/01/2027 through final maturity.

PURCHASE OPTION:

The District shall have the right to pre-pay the Lease in whole on any payment date by paying the Redemption Price, provided that District gives Lessor at least thirty (30) days prior written notice of its intent to do so. The Redemption Price, as a percentage of the then-outstanding Lease balance, shall be equal to:

15 Year:

Year	Percentage
Years 1 - 4	No Call
Years 5 - 7	101%
Thereafter	100%

20 Year:

Year	Percentage
Years 1 - 4	No Call
Years 5 - 8	101%
Thereafter	100%

DOCUMENTATION:

This financing is subject to the execution of mutually acceptable documentation expected to be prepared by Bond Counsel. Documents will include those that are normal and customary for a transaction of this type and size and may include, but are not limited to:

- Site Lease, Lease Purchase Agreement and Assignment Agreement
- District's Closing Certificate with evidence of authorization
- Validity & Enforceability Opinion of District's Counsel or Bond Counsel (at District's expense)
- Tax opinion of District's Bond Counsel (at District's expense)
- Tax Certificate and IRS Form 8038-G
- Evidence of Insurance, including 24 months' rental interruption coverage
- Title Insurance Policy in form reasonably acceptable to Lessor

FEES OF THE LESSOR:

Lessor's legal fee not to exceed \$7,500

Any costs of issuance incurred by the District such as financial advisory, placement agent and legal counsel shall be the responsibility of the District and can be included in the Amount to be Financed.

ASSIGNMENT BY THE LESSOR:

The Lessor shall have the right at any time to further assign its interest in this financing, but no such assignment shall be

effective unless and until a notice has been delivered to the District that discloses the name and address of the Lessor. Such assignment transfer or conveyance shall be made only to (i) an affiliate of the Lessor or (ii) banks, insurance companies or other financial institutions or their affiliates.

IRS CIRCULAR 230 DISCLOSURE:

The Lessor and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not written or intended to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with the Lessor of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

ADVISORY DISCLOSURE:

The Lessor is not a registered municipal advisor as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act and its related rules and regulations. In providing this Term Sheet, the Lessor is not providing any advice, advisory services, or recommendations with respect to the structure, timing, terms, or similar matters concerning an issuance of municipal securities. This Term Sheet is a commercial, arms-length proposal that does not create a fiduciary duty by Lessor to the District. The District may engage, separately and at its own cost, an advisor to review this Term Sheet and the proposed transaction on the District's behalf.

CREDIT APPROVAL:

This Term Sheet is subject to formal credit approval by Lessor and the execution of mutually acceptable documentation.

PROPOSAL EXPIRATION:

Unless accepted by the District or extended in writing by Lessor at its sole discretion, this Term Sheet shall expire on October 5, 2026. Once accepted, this Term Sheet shall expire if the financing is not completed by November 20, 2026.

Upon receipt of the signed Term Sheet, we will endeavor to provide you with a timely commitment and we will use good faith efforts to close on the financing based on the terms herein. It is a pleasure to offer this financing proposal to the District, and we look forward to your favorable review.

Respectfully –

John Riddle

John Riddle
Managing Director
jriddle@websterbank.com
www.websterbank.com

Agreed to and Accepted by:
San Mateo County Mosquito & Vector Control District, CA

_____ (Name)

_____ (Title)

_____ (Date)



September 28, 2026

Delivered via E-mail to:

Bill Morton

Email: bmorton@munifinance.com

Subject: SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, CA
Lease/Purchase Financing, Series 2026 (the "Loan")

Dear Bill,

This Term Sheet is presented in response to that certain Request for Proposal dated September 15, 2026 ("RFP") that you have presented to Capital One Public Funding, LLC ("COPF").

We are very interested in working with the SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT, CA (the "District" or the "Borrower") and are pleased to present the following summary terms:

Structure	Ground lease/leaseback transaction among Borrower (as ground lessor under the ground lease and lessee under the lease), Municipal Finance Corporation (as ground lessee and lessor under the lease), and COPF (as assignee).	
Estimated Amount	\$5,000,000 (approximately)	
Use of Proceeds	To finance improvements to a building (the "North Carolan Facility") for use as an operations and maintenance facility of the District and to pay costs of issuing the Loan.	
Security Provisions / Repayment Sources	Standard California abatement lease on real property acceptable to COPF. The Loan is payable from the District's general fund. The District covenants to include all Loan payments in its annual budget and make the necessary appropriations for all payments due under the Loan.	
Insurance Requirements	Borrower shall maintain property and casualty insurance (flood insurance if the property is located in a flood zone) on the property with limits acceptable to COPF and with COPF named as loss payee and additional insured. Borrower shall also maintain Rental Interruption Insurance at least equal to the maximum Lease Payments coming due and payable during any future 24 month period as long as the Loan is outstanding. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the Borrower.	
Leased Asset	The leased asset will be the District's existing main administrative facility located on Rollins Road (the "Rollins Facility").	
Term	15-Year	20-Year
Rate*	5.06%	5.19%
Final Maturity/AL	11/01/2041 Approximately level debt service.	11/01/2046 Approximately level debt service
Call Date	11/1/2033	11/1/2034

Call Provisions	On or after a Call Date, callable in whole or in part at par on any scheduled payment date with 30 days notice. Calls in part shall occur no more than once annually and shall be applied in inverse order of maturity.
Payments	Interest and principal payments due semi-annually on May 1st and November 1st of each year, commencing May 1st, 2027. Loan will be payable in installments on the dates and in the amounts set forth on the payment schedule identifying payment dates, principal, interest and total payment due, which shall be attached to the Loan.
Tax Treatment	Tax-exempt
Escrow	The proceeds of the Loan shall be held in an escrow account acceptable to COPF. All fees related to the escrow account will be paid by COPF. All interest earnings on the funds held in the escrow account shall accrue to the benefit of the Borrower.
Real Estate Requirements	COPF shall require: • standard representations from the Borrower regarding the absence of any adverse environmental conditions; and • a title search indicating that free and clear title to the ground-leased property rests with the Borrower. COPF shall not require an appraisal, Phase I, or survey. Title insurance (including a survey) shall only be required in the event of a title deficiency.

* Fixed rate through the final maturity date.

The Loan Rates are subject to change as described below.

Interest Rate Assumptions

The above-quoted interest rates are based upon market conditions as of the date of this Term Sheet and the assumptions set forth above. Any changes from the assumptions may require an adjustment to the quoted rates. Once the Borrower engages COPF to proceed with the Loan and provides COPF with a substantially final closing date and payment schedule, the interest rate can be locked through the closing date.

On such date (the “Lock Date”), the selected final Loan Rate shall be determined by observing the then-yielding 10-year SOFR (ticker USOSFR10 on Bloomberg) and comparing it to its yield of 4.84% (the “Base Rate”) on September 28, 2026 (the “Base Time/ Date”).

On the Lock Date, if the USOSFR10 remains between 4.79% and 4.89% (i.e. within the “Collar”), there shall be no change to the selected Loan Rate quoted in the table above. However, if the USOSFR10 is above 4.89% or below 4.79% on the Lock Date, then the Loan Rate shall be adjusted by one basis point up or down for every basis point the USOSFR10 is outside the Collar.

Documentation

Loan documentation shall be prepared by qualified special counsel subject to review by COPF and its counsel. Borrower shall provide, at its expense, an opinion of legal counsel (acceptable to COPF) attesting to the legal, valid, and binding nature of the transaction and the tax-exempt nature of the interest component of the Loan payments. Upon selection of COPF, the Borrower shall provide COPF the draft authorizing document for its review and comments.

Costs of Issuance

The Borrower shall be responsible for normal borrower costs of issuance including a financial advisor, placement agent, Borrower’s counsel, general counsel and CDIA fees. No fees will be due to COPF, which shall be responsible for the costs of its own legal review.

Direct Loan

Issued in fully registered physical, non-book-entry, certificated form. The Loan shall not be (i) assigned a separate rating by any rating agency; (ii) registered with the Depository Trust Company or any other

securities depository; (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document; or (iv) assigned a CUSIP number.

Audited Financial Statements

Upon request, as soon as available, the Borrower shall send COPF a copy of its audited financial statements as of the end of the fiscal year.

Municipal Advisor Rules

As noted, this term sheet is submitted in response to your Request for Proposals dated September 15, 2026. The contents of this term sheet and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to the Loan, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

Role of Capital One Public Funding, LLC

The Borrower acknowledges and agrees that: (i) the information contained in this term sheet is for discussion purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction between the Borrower and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the Borrower will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the Borrower or any other person or entity (including to any financial advisor or placement agent engaged by the Borrower) and the Borrower, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations COPF has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (vii) COPF is not recommending that the Borrower take an action with respect to the transaction contemplated by this term sheet. Before taking any action with respect to the Loan, the Borrower should discuss the information contained herein with the Borrower's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to it, Borrower is free to engage a municipal advisor to serve in that capacity.

Other Information

To the extent that updated financial and other credit materials have not already been provided to COPF or are not available through public resources, COPF may require and request reasonable and customary information relevant to the Borrower's credit quality and the source(s) of repayment.

Confidentiality

The information contained herein is strictly confidential and is intended for review by the parties, their advisors and legal counsel only and may not be disclosed to any other person or entity, except as required by law or otherwise consented to by COPF.

Closing

This term sheet shall expire if not accepted by the Borrower by October 14, 2026. Once accepted, this term sheet shall expire if the transaction has not closed by November 4, 2026, unless extended by COPF at its sole discretion.



Subject to Final Credit and Documentation Approval

This is not a commitment; rather, the funding of the Loan will occur only after, among other things, (i) COPF's final internal committee approval, and (ii) COPF and the Borrower, and their respective counsels, are fully satisfied with the terms of the Loan documents and all of the terms and conditions contained herein and in the Loan documents have been met. Any obligation of COPF to provide financing or otherwise shall arise only upon the execution of final Loan documents signed by authorized signatories of COPF and not from statements (oral or written) made during the course of discussions among the parties (whether or not prior to or after the date hereof).

Should the above-stated terms be acceptable to you, a formal decision through COPF's internal credit process will be pursued as quickly as possible.

Thank you for the opportunity to offer this term sheet. Should you have any questions, please do not hesitate to contact me at (516) 310-2410 or jeffrey.sharp@capitalone.com.

Sincerely,

Jeffrey D. Sharp
Senior Vice President, Director of Business Development
Capital One Public Funding, LLC

cc: Mark Killingsworth, Capital One Public Funding, LLC
Brenda Barnes, Capital One Public Funding, LLC

SELECT ONE:

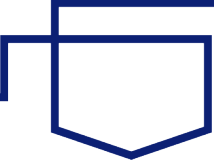
15-Year Option	20-Year Option

**ACCEPTED BY: SAN MATEO COUNTY
MOSQUITO AND VECTOR CONTROL DISTRICT, CA**

By _____

Name _____

Title _____



Government Leasing and Finance, Inc.

September 28, 2026

San Mateo County Mosquito and Vector Control District

U.S. Bancorp Government Leasing and Finance, Inc. ("USBGLF") has prepared the following proposal ("Proposal"), for your consideration **This is only a proposal and does not represent a commitment by U.S. Bancorp Government Leasing and Finance, Inc.**

Lessor: U.S. Bancorp Government Leasing and Finance, Inc. upon assignment

Lessee: San Mateo County Mosquito and Vector Control District

Project: Improvements to a building acquired in 2021 for use as an operations and maintenance facility.

Expiration: November 22, 2026

Proposed Structure and Payment Options:

Cost	Interest Rate	Payment	Term	Pmts / Yr	Adv / Arr
5,000,000.00	4.980%	238,473.20	15 yrs	2	Arr

Investment of Financing Proceeds: The District's plan to invest the financing proceeds is acceptable.

Structure: The Financing will be structured as a tax-exempt general obligation of the district's general fund. The payments shall be subject to abatement in the event the District does not have use of the leased asset. Abatement insurance will be obtained prior to closing.

Pre-payment: Permitted after 13 months at 103% of remaining principal or the breakfunding cost as decided by borrower. A 10% prepayment may be made annually at no fee to the district.

Documentation: Provided by District's special counsel, including (i) standard representations, warranties and covenants by the Lessee pertaining to the accuracy of information, organization, authority, essential use, compliance with laws, pending legal action, location and use of collateral, insurance, financial reporting and financial covenants; and (ii) standard USBGLF provisions pertaining to events of default and remedies available upon default. This offer is subject to the execution of all documentation by the Lessee within a reasonable time and in form and substance acceptable to Lessee, USBGLF and USBGLF's counsel, including terms and conditions not outlined in this Proposal. *Note – A validity opinion (approved by USBGLF) from Lessee Counsel is required for funding, in addition to a tax-opinion from special counsel.*

The terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel.

Sincerely,

Tasha Barreau

Tasha Barreau
U.S. Bancorp Government Leasing and Finance, Inc.
Vice President
p. 303.330.4160
tasha.barreau@usbank.com



Payment Schedule

Assumes a commencement date of November 4, 2026

		Debt			Ending
Date	Takedowns	Service	Interest	Principal	Balance
11/4/2026	5,000,000.00	-	-	-	5,000,000.00
5/1/2027	-	238,473.20	122,425.00	116,048.20	4,883,951.80
11/1/2027	-	238,473.20	121,610.40	116,862.80	4,767,089.01
5/1/2028	-	238,473.20	118,700.52	119,772.68	4,647,316.33
11/1/2028	-	238,473.20	115,718.18	122,755.02	4,524,561.31
5/1/2029	-	238,473.20	112,661.58	125,811.62	4,398,749.69
11/1/2029	-	238,473.20	109,528.87	128,944.33	4,269,805.37
5/1/2030	-	238,473.20	106,318.15	132,155.04	4,137,650.32
11/1/2030	-	238,473.20	103,027.49	135,445.70	4,002,204.62
5/1/2031	-	238,473.20	99,654.90	138,818.30	3,863,386.32
11/1/2031	-	238,473.20	96,198.32	142,274.88	3,721,111.45
5/1/2032	-	238,473.20	92,655.68	145,817.52	3,575,293.93
11/1/2032	-	238,473.20	89,024.82	149,448.38	3,425,845.55
5/1/2033	-	238,473.20	85,303.55	153,169.64	3,272,675.91
11/1/2033	-	238,473.20	81,489.63	156,983.56	3,115,692.35
5/1/2034	-	238,473.20	77,580.74	160,892.46	2,954,799.89
11/1/2034	-	238,473.20	73,574.52	164,898.68	2,789,901.21
5/1/2035	-	238,473.20	69,468.54	169,004.65	2,620,896.56
11/1/2035	-	238,473.20	65,260.32	173,212.87	2,447,683.69
5/1/2036	-	238,473.20	60,947.32	177,525.87	2,270,157.81
11/1/2036	-	238,473.20	56,526.93	181,946.27	2,088,211.55
5/1/2037	-	238,473.20	51,996.47	186,476.73	1,901,734.82
11/1/2037	-	238,473.20	47,353.20	191,120.00	1,710,614.82
5/1/2038	-	238,473.20	42,594.31	195,878.89	1,514,735.94
11/1/2038	-	238,473.20	37,716.92	200,756.27	1,313,979.67
5/1/2039	-	238,473.20	32,718.09	205,755.10	1,108,224.57
11/1/2039	-	238,473.20	27,594.79	210,878.40	897,346.16
5/1/2040	-	238,473.20	22,343.92	216,129.28	681,216.89
11/1/2040	-	238,473.20	16,962.30	221,510.89	459,705.99
5/1/2041	-	238,473.20	11,446.68	227,026.52	232,679.48
11/1/2041	-	238,473.20	5,793.72	232,679.48	(0.00)
Total	5,000,000.00	7,154,195.85	2,154,195.85	5,000,000.00	

September 28, 2025

San Mateo County Mosquito and Vector Control District

EverBank is pleased to provide the following loan terms and conditions for discussion purposes. This Term Sheet is not a loan commitment and should not be construed as such. The terms outlined reflect a loan structure that EverBank is willing to consider, subject to additional due diligence, final underwriting, and formal credit approval. All information and documentation required by EverBank to complete its underwriting is subject to EverBank's review and approval in its sole and absolute discretion. The proposed terms and conditions are detailed below:

Borrower: San Mateo County Mosquito and Vector Control District

Credit Facility: 2026 North Carolan Facility Improvement Lease Financing

Max Loan Amt: \$5,000,000

Term: 20 years (12.0-yr average life)

Interest Rate: Tax-Exempt (BQ) – 5.23% (7.04% taxable equivalent)

Rate Lock: 60 days

Payments: Semi-annual principal and interest

Pre-Payment: Prepayment allowed on any payment date at 103% in years 1-2, declining to 102% in years 3-4, and 101% in years 5-6. Prepayment allowed at par beginning in year 7 and thereafter.

Security: Lease payments to be paid by the Borrower from any legally available funds. The Credit Facility will be secured with a leasehold interest in an essential asset of the Borrower (with insured value to meet or exceed the final Loan Amount)

Covenants: Covenants customarily required by EverBank for similar loans and/or similar Borrower's will be required, to include, but not be limited to, the following:

- Annual appropriation of lease payments, subject to abatement
- No amendment to documents without prior EverBank consent

Reporting

Requirements: Annual audited financial statement within 270 days of fiscal year end
Annual budget due within 30 days of approval
Additional information as reasonably requested by EverBank

Expenses: The Borrower will be required to pay all fees, expenses and charges in connection to this request as are reasonably incurred in connection with the processing of a loan request of this nature. Fees of Gilmore Bell LC ("Bank Counsel") shall be \$15,000 to draft documentation and provide a tax-exempt opinion.

Trevor Mael ||| Director of Public Finance ||| trevor.mael@everbank.com

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All fees are non-refundable. Bank Counsel's fees and reasonable expenses are payable at closing in immediately available funds and shall be paid by the Borrower.

A one-time \$500 fee will be charged at closing to cover COI closing costs/disbursements if EverBank administers COI disbursement.

Other Terms: A default interest rate of interest + 3.00% will be required as applicable.

Terms offered herein shall expire after 5 business days unless otherwise accepted by Borrower.

The Lease will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to taxability gross-up, if applicable, conditions precedent, representations and warranties, covenants, events of default and remedies under the Lease, financial responsibility to EverBank.

EverBank is offering to provide this loan as evidenced by the Lease under the following additional conditions: (i) the Lease is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) EverBank will hold the Lease as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Lease; (iv) no final official statement has been prepared in connection with the private placement of the Lease; (v) the Lease will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Lease is not listed on any stock or other securities exchange; and (vii) the Lease will not be rated.

Should you have any questions regarding this Term Sheet, please contact me via email at trevor.mael@everbank.com.

Trevor Mael
Director of Public Finance
EverBank

ACCEPTED BY: (for the) San Mateo County Mosquito and Vector Control District

Signature: _____

Name: _____

Title: _____

Date: _____

Trevor Mael ||| Director of Public Finance ||| trevor.mael@everbank.com

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September 28, 2025

San Mateo County Mosquito and Vector Control District

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Borrower: San Mateo County Mosquito and Vector Control District

Credit Facility: 2026 North Carolan Facility Improvement Lease Financing

Max Loan Amt: \$5,000,000

Term: 15 years (9.0-yr average life)

Interest Rate: Tax-Exempt (BQ) – 5.15% (6.93% taxable equivalent)

Rate Lock: 60 days

Payments: Semi-annual principal and interest

Pre-Payment: Prepayment allowed on any payment date at 103% in years 1-2, declining to 102% in years 3-4, and 101% in years 5-6. Prepayment allowed at par beginning in year 7 and thereafter.

Security: Lease payments to be paid by the Borrower from any legally available funds. The Credit Facility will be secured with a leasehold interest in an essential asset of the Borrower (with insured value to meet or exceed the final Loan Amount)

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- Annual appropriation of lease payments, subject to abatement
- No amendment to documents without prior EverBank consent

Reporting

Requirements: Annual audited financial statement within 270 days of fiscal year end
Annual budget due within 30 days of approval
Additional information as reasonably requested by EverBank

Expenses: The Borrower will be required to pay all fees, expenses and charges in connection to this request as are reasonably incurred in connection with the processing of a loan request of this nature. Fees of Gilmore Bell LC ("Bank Counsel") shall be \$15,000 to draft documentation and provide a tax-exempt opinion.

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Other Terms: A default interest rate of interest + 3.00% will be required as applicable.

Terms offered herein shall expire after 5 business days unless otherwise accepted by Borrower.

The Lease will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to taxability gross-up, if applicable, conditions precedent, representations and warranties, covenants, events of default and remedies under the Lease, financial responsibility to EverBank.

EverBank is offering to provide this loan as evidenced by the Lease under the following additional conditions: (i) the Lease is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) EverBank will hold the Lease as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Lease; (iv) no final official statement has been prepared in connection with the private placement of the Lease; (v) the Lease will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Lease is not listed on any stock or other securities exchange; and (vii) the Lease will not be rated.

Should you have any questions regarding this Term Sheet, please contact me via email at trevor.mael@everbank.com.

Trevor Mael
Director of Public Finance
EverBank

ACCEPTED BY: (for the) San Mateo County Mosquito and Vector Control District

Signature: _____

Name: _____

Title: _____

Date: _____

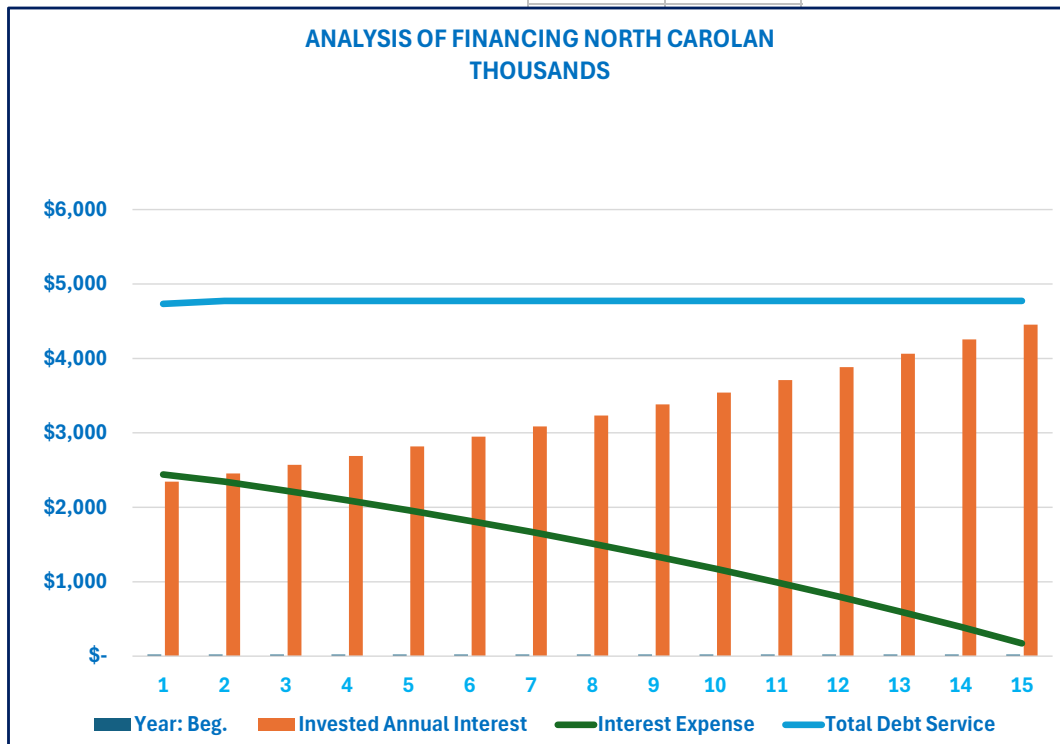
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ANALYSIS OF FINANCING OF N. CAROLAN

Year:	Principal	Invested Annual Interest	Invested Balance @ 4.69% Compounded		Principal	Interest Expense	Total Debt Service	Difference Between Invested Annual Interest and Interest Expense
Beg.	\$ 5,000,000							
2026	\$ 5,000,000	\$ 234,500	\$ 5,234,500		\$ 229,217	\$244,072	\$473,289	\$(9,572)
2027	\$ 5,234,500	\$ 245,498	\$ 5,479,998		\$242,702	\$234,564	\$477,266	\$10,934
2028	\$ 5,479,998	\$ 257,012	\$ 5,737,010		\$254,942	\$222,324	\$477,266	\$34,688
2029	\$ 5,737,010	\$ 269,066	\$ 6,006,076		\$267,796	\$209,470	\$477,266	\$59,596
2030	\$ 6,006,076	\$ 281,685	\$ 6,287,761		\$281,302	\$195,964	\$477,266	\$85,721
2031	\$ 6,287,761	\$ 294,896	\$ 6,582,657		\$295,488	\$181,778	\$477,266	\$113,118
2032	\$ 6,582,657	\$ 308,726	\$ 6,891,383		\$310,388	\$166,878	\$477,266	\$141,848
2033	\$ 6,891,383	\$ 323,206	\$ 7,214,589		\$326,040	\$151,226	\$477,266	\$171,980
2034	\$ 7,214,589	\$ 338,364	\$ 7,552,953		\$342,482	\$134,784	\$477,266	\$203,580
2035	\$ 7,552,953	\$ 354,234	\$ 7,907,187		\$359,752	\$117,514	\$477,266	\$236,720
2036	\$ 7,907,187	\$ 370,847	\$ 8,278,034		\$377,894	\$99,372	\$477,266	\$271,475
2037	\$ 8,278,034	\$ 388,240	\$ 8,666,274		\$396,950	\$80,316	\$477,266	\$307,924
2038	\$ 8,666,274	\$ 406,448	\$ 9,072,722		\$416,968	\$60,298	\$477,266	\$346,150
2039	\$ 9,072,722	\$ 425,511	\$ 9,498,233		\$437,994	\$39,272	\$477,266	\$386,239
2040	\$ 9,498,233	\$ 445,467	\$ 9,943,700		\$460,085	\$17,181	\$477,266	\$428,286
Total:		\$4,943,700			\$5,000,000	\$2,155,009	\$7,155,009	\$ 2,788,691



RESOLUTION NO. M-007-26

RESOLUTION OF THE SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT CONDITIONALLY AUTHORIZING LEASE FINANCING FOR THE N. CAROLAN AVENUE IMPROVEMENT PROJECT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the San Mateo County Mosquito and Vector Control District (the “District”) is a mosquito abatement and vector control district duly organized and existing under the laws of the State of California; and

WHEREAS, in order to provide funds needed to finance improvements to an operation and maintenance facility owned by the District located at 1415 N. Carolan Avenue in the City of Burlingame, California (the “Project”), the District proposes to lease the real property and the District’s administrative facility and improvements now or hereafter located thereon located at 1351 Rollins Road, Burlingame, California (the “Leased Property”) to Municipal Finance Corporation (the “Corporation”) under a Site Lease (the “Site Lease”), between the District and the Corporation, and the Corporation proposes to lease the Leased Property to the District under a Lease Agreement (the “Lease Agreement”) between the Corporation and the District; and

WHEREAS, the District desires to obtain funds from U.S. Bancorp Government Leasing & Finance, Inc. (the “Lender”) in order to finance a portion of the Project and pay costs of issuance in connection with the Lease Agreement; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

WHEREAS, the Board of Trustees of the District (the “Board”) desires to designate the Lease Agreement as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Lease Agreement, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement (the “Lease Payments”), (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or

capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all Lease Payments with respect to the Lease Agreement calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement; and

WHEREAS, good faith estimates required by SB 450 are set forth on Exhibit A attached hereto and shall be disclosed in an open meeting before the Board votes to authorize the financing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Mateo County Mosquito and Vector Control District as follows:

Section 1. Conditional Authorization of Site Lease. Subject to Sections 2 and 7, the Board conditionally authorizes leasing the Leased Property to the Corporation and leasing it back to the District for the financing described herein. The District Manager is authorized to negotiate, execute, acknowledge and deliver the final Site Lease, subject to General Counsel's approval as to form before execution. Substitution or addition of collateral beyond the Leased Property requires further Board approval.

Section 2. Conditional Authorization of Lease Agreement. Subject to Section 7, the District Manager, in coordination with General Counsel and the Corporation, is authorized to negotiate, execute, acknowledge and deliver the final Lease Agreement, Memorandum of Lease, and related financing documents; provided that the principal amount shall not exceed \$5,000,000, the scheduled financing term shall not exceed 15 years or extend beyond November 1, 2041, and the ordinary interest rate shall not exceed 4.98% per annum.

Section 3. Approval of Private Placement. The District hereby approves U.S. Bancorp Government Leasing & Finance, Inc. as the Lender and conditionally approves the assignment of the Lease Payments by the Corporation to the Lender, by a private placement pursuant to and in accordance with an assignment agreement. Such approval is subject to General Counsel's review and approval as to form of the final Assignment Agreement before execution and does not authorize any obligation of the District beyond those expressly approved herein.

Section 4. SB 450 Good Faith Estimates. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto and shall be disclosed in the open meeting before the Board votes to authorize the financing: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all Lease Payments with respect to the Lease Agreement calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement.

Section 5. Bank Qualified. The Lease Agreement is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Board of Trustees hereby finds and determines that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2026 is not expected to exceed \$10,000,000.

Section 6. Declaration of Reimbursement. The District presently intends and reasonably expects to finance a portion of the Project with legally available funds and reimburse eligible Project expenditures from a tax-exempt financing. The maximum principal amount of obligations expected to be issued for the Project under this declaration is \$5,000,000. This Resolution constitutes the District's official intent to reimburse eligible Project expenditures under Treasury Regulations section 1.150-2 (the "Reimbursement Regulations"). Reimbursement allocations shall comply with the Reimbursement Regulations, including applicable time limits and exceptions.

Section 7. Official Actions. The District Manager, in coordination with General Counsel and the Corporation, is authorized to complete remaining due diligence, negotiate revisions and execute the financing documents and related certificates of acceptance and closing instruments necessary to carry out this Resolution, subject to its limits and conditions. Execution is subject to General Counsel's approval as to form of the final financing documents and satisfaction of applicable legal requirements and closing conditions, with conditions intended for closing to be satisfied through approved closing arrangements. This Resolution authorizes, but does not require, execution or closing. General Counsel may withhold approval pending satisfactory resolution of legal and document issues, and the District Manager may decline to proceed. Revisions within the authority granted by this Resolution may be made without further Board action; terms exceeding that authority or materially changing the authorized financing structure require further Board approval before execution. The District Manager shall ensure applicable California Debt and Investment Advisory Commission (CDIAC) filings and debt-policy compliance and report the final financing terms to the Board after closing.

Section 8. Authorization to Approve Corporation Proposal. Subject to Sections 2 and 7, the District Manager is authorized to negotiate revisions to, approve, and execute the Corporation's proposal, dated September 28, 2026, in its capacity as lease arranger, subject to General Counsel's approval as to form before execution.

Section 9. Limited Ratification of Prior Actions. Lawful preparatory actions previously taken by the District's Board, officers, employees and agents toward the financing described herein, within their existing authority and consistent with this Resolution, are hereby ratified, approved and confirmed. This ratification does not approve an otherwise unauthorized financing commitment.

Section 10. Effective Date. This Resolution shall take effect immediately upon adoption and the Board Secretary shall certify to its adoption.

PASSED, APPROVED, and ADOPTED at a regular meeting of the Board of Trustees of the San Mateo County Mosquito and Vector Control District, this 14th day of October, 2026.

AYES:

NOES:

ABSENT:

ABSTAIN:

President
Board of Trustees

Attest:

Secretary
Board of Trustees

I hereby certify that the above Resolution No. M-007-26 was duly introduced, read and adopted by the District at a regular meeting held on October 14, 2026.

Secretary
Board of Trustees

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from the Lender and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Lease Agreement:

1. *True Interest Cost of the Lease Agreement.* Assuming the maximum aggregate principal amount of the Lease Agreement authorized to be issued (\$5,000,000) is sold, and based on market interest rates prevailing at the time of this information, a good faith estimate of the true interest cost of the lease payments made pursuant to the Lease Agreement (the “Lease Payments”), which means the rate necessary to discount the amounts allocable as principal and interest components and payable on the respective Lease Payment Dates, as described under the Lease Agreement to the purchase price received for Lease Agreement, is 4.98%.

2. *Finance Charge of the Lease Agreement.* Assuming the maximum aggregate principal amount of the Lease Agreement authorized to be issued (\$5,000,000) is sold, and based on market interest rates prevailing at the time of this information, a good faith estimate of the District’s finance charge of the Lease Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Lease Agreement), is \$50,000.00.

3. *Amount of Proceeds to be Received by the District.* Assuming the maximum aggregate principal amount of the Lease Agreement authorized to be issued (\$5,000,000) is sold, and based on market interest rates prevailing at the time of this information, a good faith estimate of the amount of proceeds expected to be received by the District for sale of the Lease Agreement less the finance charge of the Lease Agreement described in paragraph 2 above, is \$4,950,000.00.

4. *Total Payment Amount.* Assuming the maximum aggregate principal amount of the Lease Agreement authorized to be issued (\$5,000,000) is sold, and based on market interest rates prevailing at the time of this information, a good faith estimate of the total payment amount, which means the sum total of all Lease Payments the District will make to pay their obligations on the Lease Agreement plus the finance charge of the Lease Agreement described in paragraph 2 above not paid with the proceeds of the Lease Agreement, calculated to the final Lease Payment Date under the Lease Agreement, is \$7,155.009.41.

#

LEASE AGREEMENT

Dated as of November 4, 2026

between the

MUNICIPAL FINANCE CORPORATION

and the

SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease Agreement”), dated as of November 4, 2026, is between **MUNICIPAL FINANCE CORPORATION**, a corporation duly organized and existing under the laws of the State of California, as lessor (the “Corporation”), and **SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**, a mosquito abatement and vector control district organized and existing under and by virtue of the laws of the State of California, including California Health and Safety Code section 2000 et seq. (the “District”);

WITNESSETH:

WHEREAS, in order to provide funds needed to finance improvements to an operation and maintenance facility owned by the District located at 1415 N. Carolan Avenue, Burlingame, California 94010 (the “Project”), the District has agreed to lease the real property and the District’s administrative facility and improvements now or hereafter located thereon located at 1351 Rollins Road, Burlingame, California 94010, as more particularly described in **Exhibit A** attached hereto and made a part hereof (together, the “Property”) to the Corporation by entering into a Site Lease, dated as of November 4, 2026 (the “Site Lease”), which is recorded concurrently herewith in the Office of the San Mateo County Clerk-Recorder, for the purpose of enabling the District finance the Project; and

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to this Lease Agreement evidenced by a Memorandum of Lease Agreement recorded concurrently with the Site Lease, and to assign all of its rights, title and interest in, to and under this Lease Agreement, including its right to receive lease payments under this Lease Agreement (the “Lease Payments”), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the District and its rights under the Site Lease, to U.S. Bancorp Government Leasing and Finance, Inc. (together with its successors and assigns, the “Assignee”), pursuant to that certain Assignment Agreement, dated as of November 4, 2026, between the Corporation and the Assignee; and

WHEREAS, the District and the Corporation have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of \$5,000,000 for the purpose of implementing the transaction described above, including payment of Costs of Issuance (as defined herein); and

WHEREAS, the District and the Corporation agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease Agreement and the bargain of both parties hereto.

AGREEMENT:

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

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

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

“Additional Payments” means the amounts specified as such in **Section 4.3(b)** of this Lease Agreement.

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

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

“Assignee” means (a) initially, U.S. Bancorp Government Leasing and Finance, Inc., as assignee of all rights, title and interests of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Assignee, as provided in **Section 7.4**.

“Assignment Agreement” means the Assignment Agreement, dated as of November 4, 2026, between the Corporation, as assignor of its rights under the Site Lease and this Lease Agreement, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

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

“Closing Date” means November 4, 2026.

“Corporation” means Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California.

“Corporation Representative” means the President or the designee of any such official, or any other person authorized by resolution of the Corporation delivered to the Assignee to act on behalf of the Corporation under or with respect to the Site Lease, this Lease Agreement and the Assignment Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization and execution of this Lease Agreement, including but not limited to filing and recording fees, fees, charges and disbursements of attorneys, including counsel to the Assignee, counsel to the Corporation, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of this Lease Agreement, administrative costs of the District and the Corporation incurred in connection with the execution and delivery of this Lease Agreement, and any other cost, charge or fee in connection with the execution and delivery of this Lease Agreement, including fees of the California Debt and Investment Advisory Commission.

“Default Rate” means __%, plus the interest rate equal to the initial rate of __%.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Lease Payments under this Lease Agreement. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

“District” means the San Mateo County Mosquito and Vector Control District, a mosquito abatement and vector control district organized and existing under and by virtue of the laws of the State of California.

“District Representative” means the President, Vice President, District Manager, Finance Director or the designee of any such official, or any other person authorized by resolution delivered to the Corporation and the Assignee to act on behalf of the District under or with respect to the Site Lease and this Lease Agreement.

“Event of Default” means any of the events of default as defined in **Section 8.1**.

“Event of Taxability” means, with respect to this Lease Agreement: (a) the application of the proceeds of the advance rental payment by the Corporation pursuant to the Site Lease in such manner that the Lease Agreement becomes an “arbitrage bond” within the meaning of Tax Code Sections 103(b)(2) and 148, and with the result that interest component of the Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the advance rental payment or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Lease Agreement or the Site Lease by the District the interest component of Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61).

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of

the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

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

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Up Rate” means an interest rate equal to ____%.

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

“Lease Agreement” means this Lease Agreement, dated as of November 4, 2026, between the Corporation and the District, as amended and supplemented hereafter.

“Lease Payment Date” means semi-annual payments on May 1 and November 1 in each year, commencing on May 1, 2027, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the District under **Section 4.3**, including any prepayment thereof under **Section 9.1** or **9.2**.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, (c) the validity or enforceability of this Lease Agreement, or (d) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (iii) may adversely affect (A) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Lease Agreement.

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

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

“Property” means that certain real property, building and other improvements which are more particularly described in **Exhibit A** to the Site Lease and in **Exhibit A** to this Lease Agreement.

“Rental Period” means the period from the Closing Date through June 30, 2027, and thereafter, the twelve-month period commencing on July 1 of each year during the Term of this Lease Agreement.

“Site Lease” means the Site Lease, dated as of November 4, 2026, between the District, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

“Tax Agreement” means that certain Federal Tax Agreement dated the Closing Date concerning certain matters pertaining to the use and investment of proceeds of this Lease Agreement, executed by the District on the Closing Date, including any and all exhibits thereto.

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

“Term of this Lease Agreement” or “Term” means the time during which this Lease Agreement is in effect, as provided in **Section 4.2**.

Section 1.2. Interpretation.

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

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

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

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The District is a mosquito abatement and vector control district existing under and by virtue of the laws of the State, including Health and Safety Code section 2000 et seq., has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery by the District of the Site Lease and this Lease Agreement.

(b) *Due Execution.* The representative of the District executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board of Directors of the District.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.

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

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the District or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

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

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

(i) *Fee Title.* The District is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the District's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

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

(k) *Change in Financial Condition.* The District has experienced no material change in its financial condition since June 30, 2025.

(l) *Flooding Risk.* The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(m) *Value of Property and Useful Life of Property.* The value of the Property (including structures and/or assessed land value) is not less than \$5,000,000, and the useful life of the Property at least extends to November 1, 2041.

(n) *Essential to District Operations.* The Property is essential to the District's efficient and economic operations and the lease thereof for use by the District is in the best interest of the District.

(o) *Financial Statements.* The statement of financial position of the District as of June 30, 2025 and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Assignee, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the District at such date

and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect, and (ii) no material increase in the indebtedness of the District.

(p) *Compliance with Seismic Building Code Requirements.* To the best knowledge of the District, and without independent investigation, the improvements on the Property were built in compliance with seismic building code requirements of the State of California at the time such improvements were constructed.

(q) *No Material Adverse Change.* Since the most current date of the information, financial or otherwise, supplied by the District to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The District has not (A) incurred any material indebtedness on, or lease obligations payable from, its general fund, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) *Accuracy of Information.* All information, reports and other papers and data furnished by the District to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(s) *Hazardous Substances.* The Property is free of all Hazardous Substances other than those used in the ordinary course of business of the District, and the District is in full compliance with all Applicable Environmental Laws.

(t) *No Financial Advisory or Fiduciary Relationship.* The District represents, warrants and covenants that: (i) the transaction contemplated herein and in the Assignment Agreement is an arm's length commercial transaction among the District, the Corporation and the Assignee and its affiliates, (ii) in connection with such transaction, the Assignee and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) the Assignee and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Assignee and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or by the Assignment Agreement and the discussions, undertakings and procedures leading thereto (whether or not the Assignee, or any affiliate of the Assignee, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Assignee and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

(u) *EMMA Filings.* In the event the District files with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), this Lease Agreement, the Site Lease, the Assignment Agreement or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms, either voluntarily or as required pursuant a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), the District (i) shall provide the Assignee with a copy of each EMMA Posting as soon as it becomes publicly available and (ii) shall not file or permit the filing of any EMMA Posting that includes Confidential Information. The District acknowledges and agrees that the Assignee is not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule. For purposes of this **Section 2.1(u)**, the term "Confidential Information" means contact information, account numbers, or other personally identifiable information (such as names, titles, signatures, account and wiring information).

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

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

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

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the

Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

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

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* To the best knowledge of the Corporation, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the Corporation or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(g) *Continued Existence of the Corporation.* The Corporation will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Lease Payments have been paid in full.

(h) *Municipal Advisor Rules.* The Corporation is not acting as an advisor to the District, including, without limitation, as a "Municipal Advisor" as such term is defined in the Municipal Advisor Rules, or an agent or a fiduciary of the District and the Corporation has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or by the Site Lease and the discussions, undertakings and procedures leading thereto.

ARTICLE III DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. The amount of \$5,000,000 shall be derived from amounts paid by the Assignee under the Assignment Agreement. On the Closing Date, the Assignee shall cause the amount of \$4,950,000 to be transferred to the District to pay costs of the Project. In addition, a portion of the amounts paid by the Assignee under the Assignment Agreement shall be applied by the Assignee to pay Costs of Issuance in the amount of \$50,000. Any Costs of Issuance in excess of \$50,000 shall be paid by the District.

ARTICLE IV LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Lease of Property by the Corporation Back to the District.

(a) The Corporation hereby leases the Property to the District, and the District hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the District to the Corporation pursuant to the Site Lease shall not affect or result in a merger of the District's leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the District to the Corporation pursuant to the Site Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Site Lease.

Section 4.2. Term. The Term of this Lease Agreement commences on the Closing Date and ends on November 1, 2041, or the date on which all of the Lease Payments have been paid in full. If on November 1, 2041, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the District shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed ten (10) years. The provisions of this **Section 4.2** are subject to the provisions of **Section 6.1** relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.3. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of **Sections 6.1** and **6.3** and the provisions of **Article IX**, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit B. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period. The interest component of the portion of the Lease Payments has been calculated based on a tax-exempt interest rate of 4.98% per annum, on the basis of a 360-day year of twelve 30-day months. In the event the

District does not make any Lease Payment by the applicable Lease Payment Date, the interest component of the portion of the Lease Payment shall be calculated based on the Default Rate.

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

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

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

(iii) any other reasonable fees, costs or expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the District shall not be responsible for any costs incurred by the Corporation associated with any assignment made by the Assignee;

(iv) any amounts required to be paid as rebate to the United States pursuant to the Tax Agreement; and

(v) upon the occurrence of a Determination of Taxability with respect to this Lease Agreement, the District shall, with respect to future Lease Payments, make Additional Payments resulting from the application of the Gross Up Rate thereto directly to the Corporation equal to the difference between the interest component of the Lease Payments calculated at the interest rate provided in this Lease Agreement and the interest component of the Lease Payments calculated at the Gross Up Rate; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this **Section 4.3(b)(v)** for any Fiscal Year exceed the annual fair rental value of the Property. In addition, the District shall make immediately upon demand of the Corporation an Additional Payment to the Corporation sufficient to indemnify the Corporation for any prior Lease Payments determined to be taxable as a consequence of a Determination of Taxability such that the taxable prior Lease Payments will be calculated at the Gross Up Rate instead of the interest rate set forth in this Lease Agreement; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this **Section 4.3(b)(v)** for any Fiscal Year exceed the annual fair rental value of the Property. To the extent that all such Additional Payments have not been paid to the Corporation at the end of the term of this Lease Agreement, the Term shall be extended in accordance with **Section 4.2**.

Amounts constituting Additional Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Corporation to the District stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment.* If the District prepays all Lease Payments in full under **Section 9.1** or **9.2**, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under **Sections 9.1** or **9.3**, the principal components of the remaining Lease Payments will be [applied first to reduce the principal components of the Lease Payments in inverse order of the Lease Payment Dates] [reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis].

(d) *Rate on Overdue Payments.* If the District fails to make any of the payments required in this **Section 4.3**, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the Default Rate per annum.

(e) *Fair Rental Value.* The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(f) *Source of Payments; Budget and Appropriation.* The Lease Payments and Additional Payments are payable from any source of legally available funds of the District, subject to the provisions of **Sections 6.1** and **6.3**. The District covenants to take such action as may be necessary to include all Lease Payments and Additional Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of officials of the District vested with the authority to execute the terms of this Lease Agreement to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

(g) *Allocation of Lease Payments.* All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) *No Offsets.* Notwithstanding any dispute between the Corporation, or Assignee as the Corporation's assignee, and the District, the District shall make all Lease Payments

when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) *Assignment Agreement.* The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Assignee under the Assignment Agreement executed concurrently herewith, and the District hereby consents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee (or to its assignees as directed pursuant to **Section 7.4**) all payments payable by the District under this **Section 4.3** and all amounts payable by the District under **Article IX**. Lease Payments shall be paid to the Assignee in accordance with wire instructions provided by the Assignee from time to time.

Section 4.4. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Corporation will provide the District with quiet use and enjoyment of the Property and the District will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation and the Assignee have the right to inspect the Property as provided in **Sections 5.13(c)** and **7.2**.

Section 4.5. Title. At all times during the Term of this Lease Agreement, the District shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of **Section 7.2**.

Upon the termination of this Lease Agreement (other than under **Section 8.2(b)**), all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the District of security for such Lease Payments as provided in **Section 9.3**, all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer.

Section 4.6. Release of Excess Property. The District may, at any time and from time to time, release any portion of the Property (the "Released Property") from this Lease Agreement, with the prior written consent of the Assignee, which consent shall be at the Assignee's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) The District shall certify to the Corporation and the Assignee that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under **Section 6.3** has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) The District shall file with the Corporation and the Assignee, and cause to be recorded in the office of the San Mateo County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Assignee, the District shall provide to the Assignee additional information and documents to evidence the value of the remaining portion of the Property;

(d) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate;

(e) The District shall furnish the Corporation and the Assignee with a written opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Assignee stating that the release of the Released Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State; and

(f) The District shall file with the Corporation and the Assignee such other information, documents and instruments as the Corporation or the Assignee shall reasonably request, including (if requested by the Assignee) evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease Agreement of record against the Released Property.

Section 4.7. Substitution of Property. (a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the District shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining unpaid principal components of the Lease Payments hereunder.

(a) If for any reason the District is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining unpaid principal components of the Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

(b) The District, with Assignee's prior written consent, which consent shall be at the Assignee's sole discretion, has the option at any time and from time to time, to substitute other

real property (the "Substitute Property") for the Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (i) No Event of Default has occurred and is continuing.
- (ii) The District has filed with the Corporation and the Assignee and caused to be recorded in the office of the San Mateo County Recorder sufficient memorialization of an amendment hereof which adds the legal description of the Substitute Property to Exhibit A and deletes therefrom the legal description of the Former Property.
- (iii) The District has obtained a CLTA or ALTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the remaining Lease Payments.
- (iv) The District has certified in writing to the Corporation and the Assignee that the Substitute Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District.
- (v) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein.
- (vi) The District has filed with the Corporation and the Assignee a written certificate of the District or other written evidence stating that (i) the value of the Property after such substitution is at least equal to the remaining unpaid principal components of the Lease Payments, (ii) the fair rental of the Property after such substitution is at least equal to the Lease Payments thereafter coming due and payable, and (iii) the useful life of the Substitute Property at least extends to November 1, 2041.
- (vii) The District shall furnish the Corporation and the Assignee with a written opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Assignee stating that the Substitute Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

ARTICLE V
MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District and the District will maintain the Property in good condition. The District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

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

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

Section 5.2. Modification of Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, prevent the District's beneficial use of the property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.3. Commercial General Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard commercial general liability insurance policy or policies in protection of the District, the Assignee and their respective

members, officers, agents, employees and assigns, and shall name the Assignee as an additional insured. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits and subject to such deductibles as the District shall deem adequate and prudent, and in all events in form and amount (including any deductibles) satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance; Flood Coverage.

(a) *Requirement to Maintain Casualty Insurance.* The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings and other improvements situated on the Property and owned by the District, in an amount at least equal to the greater of the replacement value of the insured buildings and other improvements and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement in favor of the Assignee. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Earthquake insurance shall only be carried if available from reputable insurers at a reasonable cost as determined by the District Manager of the District. Such insurance shall be subject to a deductible of not to exceed \$1,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with the Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in **Section 6.2**.

(b) *Flood Insurance.* If at any time and for so long as the Property is located in a 100-year flood area as shown on a Flood Insurance Rate Map published by the Federal Emergency Management Agency, the policy or policies of casualty insurance provided under this **Section 5.4** shall include insurance against loss or damage to the Property due to flooding. If the District obtains an exception or waiver to the designation of the Property as being within a 100-year flood area from the Federal Emergency Management Agency, the District shall not be required to provide flood insurance as set forth in this subsection (b). To the extent the District fails to procure adequate flood insurance within 30 days after receipt of notification that such flood insurance is required, the Assignee may take such action as is necessary to procure such flood insurance, including advancing payment for such flood insurance, and the District shall be obligated to promptly (within 30 days) repay the Assignee the cost of such flood insurance and all such advances as additional rental hereunder, with interest at the rate set forth in **Section 4.4(d)**.

(c) *Federal or State Disaster Aid.* Should the Property be damaged or destroyed as a result of an event for which federal or State disaster aid is available, the Corporation and/or the District shall promptly apply for disaster aid. Any disaster aid proceeds received shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Property or, at the option of the District and the Corporation, to prepay the Lease Payments if permitted under the disaster aid program and the law.

Section 5.5. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by **Section 5.4**, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including a self-insurance program) and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement (or a memorandum hereof), the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Assignee, to be recorded in the office of the San Mateo County Recorder with respect to the Property, and (b) obtain a CLTA or ALTA title insurance policy insuring the Assignee's interests in the estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District will apply the Net Proceeds of such insurance as provided in **Section 6.2**.

Section 5.8. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this **Article V** and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by **Sections 5.3, 5.4 and 5.5** and provided by third party insurance carriers shall name the District and the Assignee as insured parties and the Assignee as loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. In the case of coverage pursuant to **Section 5.3**, the Corporation and the Assignee shall be added as additional insureds. Prior to the Closing Date, the District will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this **Article V** unless such insurance is no longer obtainable, in which event the District shall notify the Assignee of such fact.

Section 5.9. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other

items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Property.

Section 5.10. Liens. The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than as herein contemplated and except for such encumbrances as the District certifies in writing to the Assignee do not materially and adversely affect the leasehold estate in the Property hereunder and for which the Assignee provides its prior written approval, which approval shall be at Assignee's sole discretion. Except as expressly provided in this **Article V**, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Advances. If the District fails to perform any of its obligations under this **Article V**, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in **Section 4.3(d)**.

Section 5.12. District Consent to Assignment Agreement. The Corporation's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Assignee pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Assignee or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Assignee or its assignees to protect their interests in the Property and in this Lease Agreement.

Section 5.13. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances*. The District will comply with all Applicable Environmental Laws with respect to the Property and will use, store, generate, treat, transport, or dispose of any Hazardous Substance used thereon in the normal course of business in compliance with all applicable laws and regulations. Should any Hazardous Substance be permitted by the District to flow, migrate, leak, leach, or otherwise come to rest on or in the Property, the District will indemnify the Corporation and its assignees, as provided in **Section 7.3**.

(b) *Notification of Assignee*. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the District will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property,

or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Assignee.

(c) *Access for Inspection.* The District will permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

ARTICLE VI EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award.*

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the District in the event of any such damage or destruction shall be deposited by the District promptly upon receipt thereof in a special fund with the Assignee designated as the "Insurance and Condemnation Fund."

(ii) Within ninety (90) days following the date of such deposit, the District shall determine and notify the Corporation and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to **Section 9.2**, or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the District's determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of the unpaid principal component of the Lease Payments and other amounts pursuant to **Section 9.2**; *provided, however*, that in the event of damage or destruction of the Property in

full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, and all other costs related to such prepayments pursuant to **Section 9.2** and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of the unpaid principal component of the Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a District Representative.

(iv) In the event the District's determination is as set forth in clause (B) of subparagraph (ii) above, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the District, and until the Property has been restored to its prior condition, the District shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Assignee, at its sole discretion.

(b) *From Eminent Domain Award.* If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the District in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to **Section 9.2**.

(ii) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District has given written notice to the Corporation and the Assignee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement or (B) all of the Property shall have been taken in such eminent domain proceedings, then the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to **Section 9.2**.

(iv) In making any determination under this **Section 6.2(b)**, the District may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Corporation and the Assignee. Any such determination by the District shall be final.

(c) *From Title Insurance.* The Net Proceeds from a title insurance award shall be deposited by the District in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to **Section 9.2**.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the District of the Property or any portion thereof to the extent to be agreed upon by the District and the Assignee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit B, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a District Representative to the Corporation and the Assignee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this **Section 6.3** to the extent that (a) the proceeds of rental interruption insurance, or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this **Section 6.3**, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII OTHER COVENANTS OF THE DISTRICT

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE DISTRICT LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the District.

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the District, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours

written notice provided to the District, as may be reasonably necessary to cause the proper maintenance of the Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

The District further grants, conveys and confirms to the Corporation, for the use, benefit and enjoyment of the Corporation, its successors in interest to the Property, including the Assignee, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the District adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.3. Release and Indemnification Covenants. The District hereby indemnifies the Corporation, the Assignee and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District or the District's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the use, presence, storage, disposal or clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this **Section 7.3** or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Corporation, the Assignee, or their respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The District and the Corporation each agree to promptly give notice to each other and the Assignee of any claim or liability hereby indemnified against following learning thereof.

Section 7.4. Assignment Agreement by the Corporation. The Corporation's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Assignee; provided that the Corporation's rights to indemnification and payment or reimbursement for any costs or expenses hereunder have been retained by the Corporation to the extent such rights accrue to the Corporation and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee. The District hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Corporation, such reference shall be deemed to refer to the Assignee (including its assignees).

The Assignee may make additional assignments of its rights, title and interests herein; provided such assignment is to (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, or (ii) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and is in compliance with all applicable securities laws, but no such assignment will be effective as against the

District unless and until the Assignee has filed with the District at least five (5) Business Days' prior written notice thereof and an executed copy of an investor's letter addressed to the District and the Corporation substantially in the form of the letter delivered by the Assignee on the Closing Date. The District shall pay all Lease Payments hereunder to the Assignee, as provided in **Section 4.3(i)**, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Lease Agreement, the District will keep a complete and accurate record of all such notices of assignment.

Section 7.5. Assignment Agreement and Subleasing by the District. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the District. The District may sublease the Property, or any portion thereof, with the prior written consent of the Assignee, at the Assignee's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

(c) No such sublease by the District may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) A firm of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Assignee shall furnish the Corporation and the Assignee with a written opinion stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.6. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the District, the Corporation and the Assignee (at the Assignee's sole discretion) provided such amendment does not, in the Assignee's sole judgment, adversely affect the Assignee.

Section 7.7. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Lease Agreement that may cause this Lease Agreement to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of this Lease Agreement will not be used so as to cause the proceeds on this Lease Agreement to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause this Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) The District shall comply with the instructions and requirements of the Tax Agreement, which are incorporated herein as if fully set forth herein. This covenant shall survive payment in fully of the Lease Payments.

Section 7.8. Financial Statements; Budgets and Other Financial Information. Within two hundred seventy (270) days following the end of each Fiscal Year of the District during the Term of this Lease Agreement, the District will provide the Assignee with a copy of its audited financial statements for such Fiscal Year, which may be in electronic .PDF format. Such audited financial statements shall include the District’s audited financial statements, including such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. In the event that the audited financial statements are not available within 270 days of the end of such Fiscal Year, the District will furnish unaudited financial statements to the Assignee within such 270-day period, and will then supply the audited financial statements to the Assignee immediately upon the availability thereof. Within thirty (30) days following the approval of the District’s budget, the District will provide the Assignee with a copy of said budget. The District hereby further agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

Section 7.9. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the District. Said books and records shall at all reasonable times be subject to the inspection of the Assignee upon 72 hours’ prior notice.

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a mosquito abatement district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the District shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease

Agreement, together with a detailed statement by a District Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) within ten (10) days of knowledge by the District written notice of any Material Litigation or Material Adverse Effect, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Assignee may from time to time reasonably request.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

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

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Assignee. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the Corporation and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30-day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any statement, representation or warranty of a material nature made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

(e) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Assignee or any affiliate of the Assignee.

(f) Any default by the District to observe any material covenant, condition or agreement on its part to be observed or performed under the Site Lease.

(g) Any court of competent jurisdiction shall find or rule that the Site Lease or this Lease Agreement is not valid or binding against the District.

(h) Any Material Adverse Effect shall exist.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination.* If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in San Mateo County for the account of and at the expense of the District, and the District hereby exempts and agrees to hold harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District agrees to surrender and quit possession of the Property upon demand of the Corporation for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the sum of Lease Payments plus costs and expenses incurred by the Corporation for its services in re-leasing the Property shall be paid to the District.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Corporation terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) *Proceedings at Law or In Equity.* If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site Lease.* If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this **Article VIII** it shall not be necessary to give any notice, other than such notice as may be required in this **Article VIII** or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If any party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this **Article VIII** have been assigned by the Corporation to the Assignee, to which assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

ARTICLE IX PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Optional Prepayment.

(a) *Prepayment in Whole.* The District may prepay on December 4, 2027, and on any date thereafter, with thirty (30) days' prior written notice to the Corporation and the Assignee, all of the Lease Payments, from any available source of funds at a prepayment price equal to 103% of the outstanding principal component of the Lease Payments hereunder, together with accrued interest to the date of prepayment.

(b) *Prepayment in Part.* The District may make a partial prepayment of the outstanding principal components of the Lease Payments hereunder on December 4, 2027, and on any date thereafter, with thirty (30) days' prior written notice to the Corporation and the Assignee from any available source of funds at a prepayment price equal to 100% of the principal component of the Lease Payments to be paid hereunder, together with accrued interest to the date of prepayment. Any such partial prepayment shall (i) occur no more than once during any consecutive 12-month period, (ii) be in a principal amount equal to 10% of the outstanding principal component of the Lease Payments hereunder, and (iii) shall be applied to in inverse order of the then remaining schedule of Lease Payments hereunder. In the event of a prepayment in part, the Assignee will provide the District a revised schedule of Lease Payments reflecting such prepayment in part.

Section 9.2. Mandatory Prepayment from Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the District on any date, together with any accrued and unpaid interest, a prepayment premium, if applicable, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under **Section 6.2**. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this **Section 9.2** and applied as set forth in **Section 4.3(c)**.

Section 9.3. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Corporation or a fiduciary reasonably satisfactory to the Corporation, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Corporation, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in **Exhibit B**, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Corporation and addressed and delivered to the Corporation), together with interest to accrue thereon and without reinvestment and together with any cash which is

so deposited, to pay such Lease Payments when due under **Section 4.3(a)** or when due on any optional prepayment date under **Section 9.1**, as the District instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the District shall deliver to the Corporation an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations (in form and substance acceptable to the Corporation) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Assignee for federal income tax purposes. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the District under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the District, and (B) the release and indemnification obligations of the District under **Section 7.3**, and (iii) under **Section 4.5**, the Corporation's leasehold interest in the Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Corporation. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under **Section 6.03** to the extent payable from the funds held by the Corporation or the fiduciary as described in the first sentence of this **Section 9.3**.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:	San Mateo County Mosquito and Vector Control District 1351 Rollins Road Burlingame, CA 94010 Phone: (650) 344-8592 Attention: District Manager
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If to the Corporation:	Municipal Finance Corporation 2829 Townsgate Road, Suite 100 Westlake Village, CA 91361 Attention: President Phone: (805) 719-1236
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If to the Assignee: U.S. Bancorp Government Leasing and Finance, Inc.
1310 Madrid Street
Marshall, MN 56258
Attention: _____
Phone: _____

Section 10.2. Binding Effect; Third Party Beneficiary. This Lease Agreement inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 10.3. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement is a “net-net-net lease” and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 10.6. Waiver of Personal Liability. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for the payment of Lease Payments; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.8. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

Section 10.10. Waiver of Jury Trial; Agreement for Judicial Reference. To the fullest extent permitted by law, each of the District and the Corporation hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, each of the District and the Corporation agrees to refer, for a complete and final adjudication,

any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court.

Section 10.11. Servicing; Appointment of Servicer. The Assignee may engage a servicer, and collaterally assign some or all of its rights under this Lease, to act on behalf of the Assignee under this Lease Agreement as the "Servicer". The Assignee may at any time and from time to time terminate or remove and replace any such Servicer. The Assignee shall give written notice to the District of its appointment, termination, removal or replacement of any Servicer, and the parties may rely on any such notice until any subsequent notice is given. The Assignee is under no obligation to appoint a Servicer; if at any time a Servicer has not been designated by the Assignee, any references to the "Servicer" herein shall refer to the Assignee. Any opinion or certificate provide for herein that is directed to the Servicer shall also be directed to, and may be relied upon by, the Assignee.

From and after the Closing Date, if the Assignee has appointed a Servicer for the Assignee under this Lease Agreement, the District acknowledges and agrees that the Servicer shall exercise all of the rights and remedies of the Assignee under this Lease Agreement, shall receive all reports, statements, notices and other communications from the District on behalf of the Assignee required to be delivered to the Assignee under this Lease Agreement and shall be entitled to all of the protections afforded the Assignee under this Lease Agreement.

The Assignee shall be solely responsible for providing the funding for the Site Lease Payment under this Lease Agreement, and does not operate, control or have possession of the Project or the Property, and has no control over the work performed by any vendor or contractor with respect to the Project. The Assignee has no obligation with respect to the acquisition or construction of the Project.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

MUNICIPAL FINANCE CORPORATION

By: _____
William A. Morton
President

**SAN MATEO COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**

By: _____
[Name]
Board President

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property consists of the land described below located at 1351 Rollins Road, Burlingame, California 94010, together with the administration building and improvements located thereon and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto, and any and all insurance and/or proceeds thereof, described as follows:

[To Come.]

EXHIBIT B**SCHEDULE OF LEASE PAYMENTS**

Due Date	Lease Payment	Principal	Interest
05/01/2027	\$237,033.66	\$114,608.66	\$122,425.00
11/01/2027	236,254.90	114,608.66	121,646.24
05/01/2028	240,143.71	121,351.22	118,792.49
11/01/2028	237,122.06	121,351.22	115,770.84
05/01/2029	240,219.89	127,470.69	112,749.20
11/01/2029	237,045.89	127,470.71	109,575.18
05/01/2030	240,299.93	133,898.77	106,401.16
11/01/2030	236,965.85	133,898.77	103,067.08
05/01/2031	240,383.99	140,650.99	99,733.00
11/01/2031	236,881.79	140,651.00	96,230.79
05/01/2032	240,472.30	147,743.72	92,728.58
11/01/2032	236,793.48	147,743.72	89,049.76
05/01/2033	240,565.05	155,194.11	85,370.94
11/01/2033	236,700.72	155,194.11	81,506.61
05/01/2034	240,662.48	163,020.21	77,642.27
11/01/2034	236,603.29	163,020.22	73,583.07
05/01/2035	240,764.83	171,240.96	69,523.87
11/01/2035	236,500.95	171,240.98	65,259.97
05/01/2036	240,872.35	179,876.28	60,996.07
11/01/2036	236,393.43	179,876.28	56,517.15
05/01/2037	240,985.28	188,947.05	52,038.23
11/01/2037	236,280.50	188,947.05	47,333.45
05/01/2038	241,103.90	198,475.23	42,628.67
11/01/2038	236,161.87	198,475.24	37,686.63
05/01/2039	241,228.51	208,483.91	32,744.60
11/01/2039	236,037.26	208,483.91	27,553.35
05/01/2040	241,359.41	218,997.31	22,362.10
11/01/2040	235,906.37	218,997.30	16,909.07
05/01/2041	241,496.89	230,040.86	11,456.03
11/01/2041	235,768.88	230,040.86	5,728.02
Totals	<u>\$7,155,009.42</u>	<u>\$5,000,000.00</u>	<u>\$2,155,009.42</u>

Gilmore & Bell, P.C.
Draft-October 9, 2026

AFTER RECORDATION, PLEASE RETURN TO:

Gilmore & Bell, P.C.
2405 Grand Blvd., Suite 1100
Kansas City, MO 64108
Attention: Jason Schurke, Esq.

**THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION
27383 OF THE CALIFORNIA GOVERNMENT CODE.**

ASSIGNMENT AGREEMENT

Dated as of November 4, 2026

by and between

MUNICIPAL FINANCE CORPORATION

and

U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.

ASSIGNMENT AGREEMENT

This **ASSIGNMENT AGREEMENT**, is made and entered into as of November 4, 2026, by and between **MUNICIPAL FINANCE CORPORATION**, a corporation organized and existing under the laws of the State of California (the “Corporation”), and **U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.**, a Minnesota corporation, as assignee, including its successors and assigns (the “Assignee”).

W I T N E S S E T H :

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and San Mateo County Mosquito and Vector Control District (the “District”), have entered into a unrecorded Lease Agreement, dated as of November 4, 2026 (the “Lease Agreement”), a Memorandum of which is recorded concurrently herewith, whereby the Corporation has agreed to lease to the District, and the District has agreed to lease from the Corporation, the property, administration building and improvements described in **Exhibit A** hereto and incorporated herein by reference, or any property substituted therefor in accordance with **Section 4.7** of the Lease Agreement (the “Property”), in the manner and on the terms set forth in the Lease Agreement, which terms include, without limitation, the obligation of the District to pay lease payments set forth therein (the “Lease Payments”) to the Corporation in consideration of the District’s use and enjoyment of the Property.

(b) The Assignee has agreed to acquire the right, title and interest of the Corporation under the Site Lease, dated as of November 4, 2026 (the “Site Lease”), between the Corporation and the District, and the Lease Agreement, and the purchase price therefor will be made available to the District for the purpose of financing a portion of the costs needed by the District to make improvements to an operation and maintenance facility owned by District located at 1351 Rollins Road, Burlingame, California (the “Project”).

(c) Each of the parties has the power and authority to enter into this Assignment Agreement and has taken all actions necessary to authorize its officers to execute it.

Section 2. Assignment. The Corporation, for good and valuable consideration, hereby transfers, assigns and sets over to the Assignee, effective on the Closing Date, all of the Corporation’s rights, title and interests under the Site Lease, which is recorded concurrently herewith, and the unrecorded Lease Agreement (excepting only the Corporation’s rights under **Section 7.3** of the Lease Agreement) as disclosed by that certain Memorandum of Lease Agreement by and between the District and the Corporation which is recorded concurrently herewith, including without limitation (i) the right to receive and collect all of the Lease Payments from the District; (ii) the right to receive and collect any proceeds of any insurance maintained thereunder and of any condemnation award rendered with respect to the Property; (iii) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Site Lease and Lease Agreement as may be necessary or convenient (A) to enforce payment of the Lease Payments, or (B) otherwise to protect the interests of the Assignee in the event of a default by District under the Site Lease and Lease Agreement; and (iv) the right to take all actions

and give all consents under the Site Lease and the Lease Agreement. The Assignment made under this Section is absolute and irrevocable, and without recourse to the Corporation.

The above assignment is intended to be an absolute and unconditional assignment to the Assignee and is not intended as a loan by the Assignee to the Corporation. Accordingly, in the event of bankruptcy of the Corporation, the Property shall not be part of the Corporation's estate. However, if the above assignment is deemed to be a loan by the Assignee to the Corporation, then the Corporation shall be deemed to have granted to the Assignee, and hereby grants to the Assignee, a continuing first priority security interest in the Property and all proceeds thereof as collateral security for all obligations of the Corporation hereunder and all obligations of the District under the Lease Agreement and this Assignment Agreement shall be deemed a security agreement with respect to such loan.

Section 3. Representation and Agreements of the Corporation. The Corporation hereby represents, warrants, acknowledges and agrees to and for the benefit of the Assignee as follows:

(a) The Corporation has made no prior sale or assignment of any of its right, title or interest in the Site Lease (as defined in the Lease Agreement) and the Lease Agreement and has not mortgaged or granted a security interest or otherwise encumbered its right, title and interest therein.

(b) The Site Lease and the Lease Agreement are genuine and in all respects are what they report to be and are in full force and effect, and neither the District nor the Corporation is in default thereunder.

(c) The Assignee is not liable for and does not assume responsibility for the performance of any of the covenants, agreements, duties or obligations specified in the Lease Agreement or the Site Lease to be kept, paid, or performed by the Corporation.

(d) The Assignee has paid or agreed to pay \$5,000,000 for the assignment of certain rights and interests of the Corporation in the Lease Agreement and the Site Lease.

(e) The Corporation has the power, authority, and legal right to execute, deliver and perform this Assignment Agreement, and this Assignment Agreement is a valid, binding, and enforceable obligation of the Corporation, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

(f) Good and marketable title to the rights assigned hereunder has been duly vested in the Assignee free and clear of any liens, security interests, encumbrances or other claims other than the rights of the District under the Lease Agreement.

Section 4. Covenants.

(a) *Nonimpairment of Lease.* The Corporation agrees that it (1) shall not have any right to amend, modify, compromise, release, terminate or permit prepayment of the Lease Agreement without the consent of the Assignee, and (2) shall not take any action that may impair the payment of Lease Payments or the validity or enforceability of the Lease Agreement.

(b) *Lease Payments.* If the Corporation receives any Lease Payments, then the Corporation shall receive such payments in trust for the Assignee and shall immediately deliver the same to the Assignee in the form received, duly endorsed by the Corporation for deposit by the Assignee.

(c) *Further Assurances.* The Corporation shall execute and deliver to the Assignee such notices of assignment, UCC financing statements, assignments of financing statements and other documents, in form and substance reasonably satisfactory to the Assignee, and the Corporation shall take such other actions, as the Assignee may reasonably request from time to time to evidence, perfect, maintain, and enforce the Assignee's rights in the rights assigned hereunder and under the Assignment Agreement and/or to enforce or exercise the Assignee's rights or remedies under the Lease Agreement. The Assignee may, where permitted by law, file such UCC financing statements without the Corporation's signature.

Section 5. Acceptance. The Assignee hereby accepts the assignments made herein for the purpose of securing the Lease Payments due pursuant to the Lease Agreement and the rights under the Lease Agreement. Furthermore, by its acceptance of this Assignment Agreement, the Assignee represents for the benefit of the District that the Assignee reasonably expects to hold the Lease Agreement for its own account and does not presently expect to sell, assign, or otherwise transfer the Lease Agreement, subject to the Assignee's right to dispose of or otherwise deal with its property (including the Lease Agreement) as it determines to be in its best interests from time to time.

Section 6. Execution in Counterparts. This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. Restriction on Transfers. The Assignee shall have the right at any time to assign, transfer, participate or convey the Lease Agreement or any interest therein or portion thereof, but no such assignment, transfer, participation or conveyance shall be effective as against the District unless and until the Assignee has delivered to the District written notice thereof that discloses the name and address of the subsequent Assignee or the Loan Servicer (as hereafter provided) and such assignment, transfer, participation or conveyance shall be made only to (i) an affiliate of the Assignee or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing herein shall limit the right of the Assignee or its assignees to sell or assign participation interests in the Lease Agreement to one or more entities listed in (i) or (ii), provided that any participation, custodial or similar agreement under which multiple ownership interests in the Lease Agreement are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Loan Servicer") to act on their behalf with respect to the rights and interests of the Assignee under the Lease Agreement, including with respect to the exercise of rights and remedies of the Assignee on behalf of such owners upon the occurrence of an event of default under the Lease Agreement.

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

MUNICIPAL FINANCE CORPORATION

By: _____
William A. Morton
President

**U.S. BANCORP GOVERNMENT LEASING AND
FINANCE, INC.**

By: _____
[Name]
[Title]

[Signature Page to Assignment Agreement dated as of November 4, 2026]

Notary Pages Follow

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2026, before me, _____, Notary Public, personally appeared William A. Morton, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

[Notary Page for Municipal Finance Corporation to
Assignment Agreement dated as of November 4, 2026

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)

COUNTY OF _____)

On _____, 2026, before me, _____, Notary Public, personally appeared Jeff Setser, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

[Notary Page for U.S. Bancorp Government Leasing and Finance, Inc. to
Assignment Agreement dated as of November 4, 2026]

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property consists of the land described below located at 1351 Rollins Road, Burlingame, California 94010, together with the administration building and improvements located thereon and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto, and any and all insurance and/or proceeds thereof, described as follows:

[To Come.]

FEDERAL TAX AGREEMENT

This FEDERAL TAX AGREEMENT (the “Tax Agreement”), is executed as of November 4, 2026, by San Mateo County Mosquito and Vector Control District, a mosquito abatement and vector control district duly organized and existing under the laws of the State of California, including California Health and Safety Code section 2000 et seq. (the “District”), for the benefit of U.S. Bancorp Government Leasing and Finance, Inc., as lender (the “Lender”), and any firm of attorneys rendering an opinion on the exclusion from gross income for federal income tax purposes of the interest portion of lease payments payable under the Lease Agreement (defined below).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with that certain Lease Agreement dated as of November 4, 2026, in the principal amount of \$5,000,000 (the “Lease Agreement”), entered into between the District, as lessee, and Municipal Finance Corporation, a California corporation, as lessor (the “Corporation”).

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of proceeds of the Lease Agreement and of certain other money relating to the Lease Agreement and set forth the conditions under which the interest component of lease payments payable under the Lease Agreement will be excluded from gross income for federal income tax purposes.

3. The District is executing this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use and investment of proceeds of the Lease Agreement and the property financed with those proceeds and of certain other related money, in order to establish and maintain the exclusion from gross income for federal income tax purposes of the interest component of lease payments payable under the Lease Agreement and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

4. This Tax Agreement is being entered into for the purpose of setting forth general procedures for the District to continuously monitor and comply with the federal income tax requirements set forth in the Code and the Regulations.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the District represents, covenants and agrees as follows:

Section 1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Lease Agreement, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

“**Adjusted Gross Proceeds**” means the Gross Proceeds of the Lease Agreement reduced by amounts (a) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (b) that as of the Closing Date are not expected to be Gross Proceeds, but which arise after the end of the

applicable spending period, and (c) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Annual Compliance Checklist” means a checklist for the Project, designed to measure compliance with the requirements of this Tax Agreement after the Closing Date substantially in the form attached as **Exhibit D**.

“Available Construction Proceeds” means the sale proceeds of the Lease Agreement, increased by (a) Investment earnings on the sale proceeds, (b) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Lease Agreement but not funded from the Lease Agreement, and (c) earnings on such earnings, reduced by sale proceeds (1) in any reasonably required reserve fund or (2) used to pay issuance costs of the Lease Agreement. But Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (i) the second anniversary of the Closing Date or (ii) the date the Financed Property is substantially completed.

“Bona Fide Debt Service Fund” means a fund, which may include sale proceeds of the Lease Agreement, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Lease Year; and (b) is depleted at least once each Lease Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Lease Year, or (2) one-twelfth of the lease payments on the Lease Agreement for the immediately preceding Lease Year.

“Closing Date” means November 4, 2026.

“Code” means the Internal Revenue Code of 1986.

“Compliance Officer” means the District’s _____ or, if the position of _____ is vacant, the person filling the responsibilities of the _____ for the District.

“Computation Date” means each date on which arbitrage rebate and yield reduction amounts for the Lease Agreement are computed. The District may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Closing Date;
- (b) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which a lease payment was made; and
- (c) the date the Lease Agreement is paid in full is the final Computation Date.

The District selects November 1, 2031, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Final Written Allocation” means the written allocation of expenditures of proceeds of the Lease Agreement prepared by the Compliance Officer and **Section 4** of this Tax Agreement, a sample form of which is attached hereto as **Exhibit E**.

“Financed Property” means the portion of the Project financed with proceeds of the Lease Agreement as described on **Exhibit C**.

“Gross Proceeds” means (i) sale proceeds; (ii) Investment proceeds derived from the investment of sale proceeds; (iii) amounts held in a sinking fund for the Lease Agreement; (iv) amounts held in a pledged fund or reserve fund for the Lease Agreement; and (v) any replacement proceeds. Specifically, Gross Proceeds includes, but is not limited to, all amounts held in the Project Fund.

“Guaranteed Investment Lease Agreement” is any investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Investment” means any security, obligation, annuity contract or other investment-type property which is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include obligations the interest on which is excluded from federal gross income, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C).

“IRS” means the Internal Revenue Service.

“Lease Agreement” means the Lease Agreement dated as of November 4, 2026, between the District, as lessee, and the Corporation, as lessor, as amended from time to time.

“Lease Year” means each one-year period ending on each annual anniversary of the Closing Date.

“Lender” means U.S. Bancorp Government Leasing & Finance, Inc., as assignee of the Corporation, with respect to the Lease Agreement, and its successors and assigns.

“Management or Service Agreement” means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Project, such as a contract to manage the Project or a portion thereof. However, contracts for services that are solely incidental to the primary governmental function of the Project (for example, contracts for janitorial, office equipment repair, billing or similar services) are not treated as Management or Services Agreements.

“Measurement Period” means, with respect to the Financed Property, the period beginning on the later of (i) the Closing Date or (ii) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Lease Agreement or (B) the end of the expected economic useful life of the Project.

“Minor Portion” means the lesser of \$100,000 or 5% of the sale proceeds of the Lease Agreement.

“Non-Qualified Use” generally means any use of the Project in a trade or business carried on by any Non-Qualified User that is different in form or substance to the use made of the Project by any other member of the general public. Generally, ownership, a lease, or any other use that provides a Non-Qualified User a special legal right or entitlement to use the Project will constitute Non-Qualified Use.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Official Intent Date means _____, 20__.

“Opinion of Special Tax Counsel” means the written opinion of Special Tax Counsel addressed to the Corporation and the Lender to the effect that the proposed action or the failure to act will not adversely

affect the exclusion of the interest component of lease payments on the Lease Agreement from gross income for federal income tax purposes or an opinion describing additions, modifications or additional procedures required to preserve the interest component of lease payments on the Lease Agreement from gross income for federal income tax purposes.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Lease Agreement, the use of the Project and the investment of Gross Proceeds after the Closing Date.

“Project” means improvements to be acquired, constructed and installed to the District’s operation and maintenance facility located at 1415 N. Carolan Avenue in Burlingame, California, with proceeds of the Lease Agreement and any other moneys provided by the District as described on **Exhibit C**.

“Project Fund” means the project fund established by the District pursuant to the Lease Agreement.

“Qualified Use Agreement” means any of the following:

(1) A lease or other short-term use by members of the general public who use the Project on a short-term basis in the ordinary course of the District’s governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 200 days in length pursuant to an arrangement whereby (a) the use of the Project under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Project under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 100 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Project was not constructed for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Project under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 50 days in length pursuant to a negotiated arm’s-length arrangement at fair market value so long as the Project was not constructed for a principal purpose of providing the property for use by that person.

Qualified Equity” means funds that are not derived from proceeds of a tax-exempt financing that are spent on the Project at any time during the period beginning not earlier than the later of (a) 60 days prior to the Official Intent Date or (b) three years prior to the Closing Date, and ending not later than the date the Project is capable of and actually used at substantially its designed level. Qualified Equity excludes an ownership interest in real property or tangible personal property.

“Qualified User” means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

“Reasonable Retainage” means Gross Proceeds retained by the District for reasonable business purposes, such as to ensure or promote compliance with a construction contract; provided that such amount may not exceed (a) for purposes of the 18-month spending test, 5% of net sale proceeds of the Lease Agreement on the date 18 months after the Closing Date, or (b) for purposes of the 2-year spending test, 5% of the Available Construction Proceeds as of the end of the 2-year spending period.

“Rebate Analyst” means a firm of nationally recognized bond counsel or a firm of independent certified public accountants, which firm has expressly agreed to undertake the responsibilities assigned to the Rebate Analyst hereunder.

“Regulations” means United States Treasury Regulations governing obligations the interest on which is excluded from gross income for federal income tax purposes under Code §§ 103 and 141-150.

“Special Tax Counsel” means Gilmore & Bell, P.C., Kansas City, Missouri, acting as Lender’s counsel, or other nationally recognized firm of bond counsel acceptable to the Lender.

“State” means the State of California.

“Tax Compliance File” means documents and records for the Lease Agreement maintained by the Compliance Officer pursuant to this Tax Agreement.

“Yield” means the yield on the Lease Agreement, computed under Regulations § 1.148-4, and Yield on an Investment, computed under Regulations § 1.148-5.

Section 2. Organization and Authority; General Representations.

(a) *Organization and Authority.* The District (1) is a mosquito abatement and vector control district duly organized and existing under the laws of the State, including California Health and Safety Code section 2000 et seq., and a political subdivision organized and existing under the laws of the State, (2) has lawful power and authority to enter into, execute and deliver the Lease Agreement for the purposes set forth therein and all related documents, including this Tax Agreement, and to carry out its obligations thereunder, and (3) by all necessary action has been duly authorized to execute and deliver the Lease Agreement and all related documents, including this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Lease Agreement—General Representation and Covenants.* In order to maintain the exclusion of the interest portion of lease payments payable under the Lease Agreement from gross income for federal income tax purposes, the District (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or invest, or permit the use or investment of, any proceeds of the Lease Agreement or other funds in a manner that would violate applicable provisions of the Code, and (3) will not use, or permit the use of, any portion of the Financed Property in a manner that would cause any portion of the Lease Agreement to become a “private activity bond” as defined in Code § 141.

Section 3. Purpose of Agreement. On the Closing Date, the sale proceeds of the Lease Agreement in the amount of \$5,000,000 will be disbursed as follows:

(a) \$4,950,000 will be deposited in the Project Fund and used to acquire, construct, equip and install the Financed Property. Other funds contributed by the District in the amount of approximately \$5,000,000 are expected to be used to pay additional costs of the Project.

(b) \$50,000 will be disbursed by the Lender to the Corporation to pay certain costs of issuance in connection with the execution and delivery of the Lease Agreement.

Section 4. Accounting for Gross Proceeds. The District will account for the sale proceeds of the Lease Agreement as follows: All sale proceeds will be used to acquire, construct, equip and install the Project and pay related costs of executing and delivering the Lease Agreement as described in **Section 2** of this Tax Agreement. The District shall maintain in the Tax Compliance File (1) copies of all requisitions and expenditure records relating to the Project, together with supporting invoices and other attachments, and (2) all balance and transaction statements relating to the Project Fund. The expected allocation of proceeds of the Lease Agreement to expenditures relating to the Project is set forth on **Exhibit C**. Not later than 18 months after (1) completion of the Project, or (2) the date the Project is placed in service, and no later than 60 days following the fifth anniversary of the Closing Date, the District will prepare, or cause to be prepared, a final written allocation, a sample form of which is attached hereto as **Exhibit E**, for inclusion in the Tax Compliance File. With respect to use of the Financed Property portion of the Project, any Non-Qualified Use shall first be allocated entirely to the portion of the Project financed with Qualified Equity.

Section 5. Completion of the Project. The District has incurred, or will incur within 6 months after the Closing Date, substantial binding obligations to third parties to spend at least 5% of the proceeds of the Lease Agreement on the Project. The acquisition, construction, equipping and installation of the Project and the allocation of the proceeds of the Lease Agreement to expenditures will proceed with due diligence. At least 85% of the proceeds of the Lease Agreement will be allocated to expenditures for the Project within 3 years after the Closing Date.

Section 6. Funds or Accounts. The Project Fund has been established by the District to hold proceeds of the Lease Agreement. No other funds or accounts have been established to hold sale proceeds of the Lease Agreement, and no other funds or accounts of the District have been or will be established that will contain other money that will be used to make lease payments under the Lease Agreement.

Section 7. Issue Price and Yield.

(a) *Lender Certificate – Issue Price.* The Lender has represented in the Lender Certificate Regarding Issue Price dated as of the Closing Date and attached hereto as **Exhibit F**, that it is acquiring the Lease Agreement from the Corporation for the amount of \$5,000,000 (the “Issue Price”), and that it intends to hold the Lease Agreement for its own account with no present intent to sell, assign or transfer the Lease Agreement.

(b) *Lease Yield.* Based on the Issue Price, Special Tax Counsel has determined that the Yield on the Lease Agreement is 4.98%. The amortization schedule and calculation of Yield on the Lease Agreement is attached to this Tax Agreement as **Exhibit A**. The District has not entered into an interest rate swap agreement with respect to any portion of the Lease Agreement.

Section 8. Rebate and Yield Restriction.

(a) *Yield Restriction.* The following Yield restriction requirements will apply to the Gross Proceeds of the Lease Agreement. Except as described below, the District will not invest Gross Proceeds at a Yield greater than the Yield on the Lease Agreement:

(1) *Project Fund.* Proceeds of the Lease Agreement deposited in the Project Fund and used to pay costs of the Project, together with Investment earnings on those proceeds may be invested without Yield restriction for up to 3 years following the Closing Date. If any unspent proceeds remain in the Project Fund after 3 years, those amounts may continue to be invested without Yield restriction so long as the District pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Lease Agreement is exempt from the arbitrage rebate and Yield reduction amounts requirements of Code § 148.

(2) *Money Set Aside to Make Lease Payments under the Lease Agreement.* To the extent the District sets aside or earmarks money on deposit in any fund or account to pay lease payments on the Lease Agreement (the “Debt Service Fund”), such funds or accounts may be invested without Yield restriction for 13 months after the date of deposit or earmarking. Earnings on such amounts may be invested without Yield restriction for one year after the date of receipt of such earnings.

(3) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

(b) *Rebate and Yield Restriction Requirement.*

(1) *General.* A portion of the Gross Proceeds of the Lease Agreement may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Lease Agreement and will not otherwise affect the application of the Investment limitations described in **Section 8(a)**. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 8(c)** applies even if a portion of the Gross Proceeds of the Lease Agreement is exempt from the rebate requirement. To the extent all or a portion of the Lease Agreement is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 8(c)**. The District may defer the final rebate Computation Date and the payment of rebate for the Lease Agreement to the extent permitted by Regulations §§ 1.148-7(b)(1) and 1.148-3(e)(2) but only in accordance with specific written instructions provided by the Rebate Analyst.

(2) *Applicable Spending Exceptions.*

(A) The District expects that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the District.

(B) The following optional rebate spending exceptions can apply to the Lease Agreement:

- 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).
- 18-month spending exception (Regulations § 1.148-7(d)).
- 2-year spending exception (Code § 148(f)(4)(C) and Regulations § 1.148-7(e)).

(C) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(D) *Bona Fide Debt Service Fund.* To the extent that the District establishes a Debt Service Fund that qualifies as a Bona Fide Debt Service Fund, Investment earnings in the fund cannot be taken into account in computing arbitrage rebate and yield reduction amounts (1) with respect to such portion that meets the 6-month, 18-month or 2-year spending exception, or (2) for a given Lease Agreement Year, if the gross earnings thereon for such Lease Agreement Year are less than \$100,000. If the average annual debt service on the Lease Agreement does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Lease Agreement Year.

(E) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the District may engage the Rebate Analyst to determine whether one or more spending exceptions has been satisfied, and the extent to which the District must continue to comply with **Section 4.6** hereof.

(F) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(i) Using Adjusted Gross Proceeds or Available Construction Proceeds to pay principal of the Lease Agreement is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(ii) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Lease Agreement are spent within 6 months following the Closing Date. The test may still be satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Closing Date.

(iii) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Lease Agreement are spent in accordance with the following schedule:

Time Period After the Closing Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(iv) The 2-year spending exception generally is met if all Available Construction Proceeds are spent in accordance with the following schedule:

Time Period After the Closing Date	Minimum Percentage of Available Construction Proceeds Spent
6 months	10%
12 months	45%
18 months	75%
24 months (Final)	100%

(v) For purposes of applying the 18-month and 2-year spending exceptions only, the failure to satisfy the **final** spending requirement is disregarded if the District uses due diligence to complete the Financed Property and the failure does not exceed the lesser of 3% of the aggregate issue price the Lease Agreement or \$250,000. **No such exception applies for any other spending period.**

(vi) For purposes of applying the 18-month and 2-year spending exceptions only, the Lease Agreement meet the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Closing Date in the case of the 18-month exception or 3 years after the Closing Date in the case of the 2-year spending exception.

(3) *Computation of Rebate Amount.* The District will provide the Rebate Analyst Investment reports relating to each fund held by it that contains Gross Proceeds of the Lease Agreement together with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the District annually as of the end of each Lease Agreement Year and not later than 10 days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Lease Agreement, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the District together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate and yield reduction amounts were determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals.

(4) *Rebate Payments.* Within 60 days after each Computation Date, the District will pay to the United States the rebate and yield reduction amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

(5) *Successor Rebate Analyst.* If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the District desires that a different firm act as the

Rebate Analyst, then the District by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Agreement, will name a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.

(6) *Filing Requirements.* The District will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with advice of Special Tax Counsel.

(7) *Survival after Defeasance.* Notwithstanding anything in the Lease Agreement to the contrary, the obligation to pay arbitrage rebate and yield reduction amounts to the United States will survive the payment or defeasance of the Lease Agreement.

Section 9. Use of Project.

(a) *General.* For federal income tax purposes, the Project will be owned by the District throughout the Measurement Period. No portion of the Project is expected to be used in a Non-Qualified Use during the Measurement Period. During each annual period throughout the Measurement Period, unless the District obtains favorable advice of Special Tax Counsel, the District will not enter into or permit any user of the Financed Property to enter into, any agreement providing a Qualified User special rights to use more than 10% of the Financed Property.

(b) *Leases and Other Use Agreements.* As of the Closing Date, the District does not have and is not aware of any lease or other use agreement with Non-Qualified Users that relate to the use or operation of the Project. During each annual period throughout the Measurement Period, the District will not enter into and will not permit any user of the Financed Property to enter into, any agreement with any Non-Qualified User with respect to more than 10% of the Financed Property without first obtaining favorable advice of Special Tax Counsel.

(c) *Management and Service Agreements.* As of the Closing Date, the District does not have and is not aware of any Management or Service Agreements with Non-Qualified Users that relate to the use or operation of the Project. During each annual period throughout the Measurement Period, the District will not enter into and will not permit any user of the Financed Property to enter into, or renew any Management or Service Agreement with any Non-Qualified Users with respect to more than 10% of the Financed Property without first obtaining favorable advice of Special Tax Counsel.

(d) *Written Policies and Procedures of the District.* The District intends for this Tax Agreement to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Lease Agreement and to supplement any other formal policies and procedures related to the Post-Issuance Tax Requirements that the District has established.

(e) *Compliance Officer.* When necessary to fulfill the Post-Issuance Tax Requirements, the District will, through the Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Lease Agreement or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12.

(f) *Annual Compliance Checklists.* Attached as **Exhibit D** is a form of Annual Compliance Checklist for the Project. The Compliance Officer will prepare and work with appropriate officials of the

District to complete Annual Compliance Checklists for the Project at least annually. If an Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Compliance Officer will obtain advice of Special Tax Counsel and take actions to correct any deficiency.

Section 10. Record Keeping. The Compliance Officer will maintain, or cause to be maintained, the Tax Compliance File for the Lease Agreement in accordance with this Tax Agreement. Unless otherwise specifically instructed in advice or a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Compliance Officer shall retain, or cause to be retained, records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Lease Agreement or (ii) any obligation issued to refund the Lease Agreement. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the District, and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the District's premises.

Section 11. Miscellaneous

(a) *Reimbursement of Expenditures; Official Intent.* On the Official Intent Date, the governing body of the District adopted a resolution declaring the intent of the District to finance the Project with proceeds of a tax-exempt obligation and to reimburse the District for expenditures made (if any) therefor prior to the issuance of such tax-exempt obligation. \$_____ from proceeds of the Lease Agreement will be allocated to expenditures paid by the District prior to the Closing Date and should be shown on line 45 of Form 8038-G. Except for expenditures meeting the requirements of Regulations § 1.150-2(f), no portion of the proceeds of the Lease Agreement will be used to reimburse an expenditure paid by the District more than 60 days prior to the date the resolution was adopted. The District will evidence each allocation of the proceeds of the Lease Agreement to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation. In addition, no reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Project is placed in service.

(b) *Form 8038-G.* A copy of the completed and fully executed IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) is attached to this Tax Agreement as **Exhibit B**. The Form 8038-G was prepared by Special Tax Counsel based on representations and covenants by the District, the Corporation and the Lender contained in this Tax Agreement or otherwise made by the District, the Corporation and the Lender. The information contained on Form 8038-G is true, complete and correct to the knowledge of the undersigned and the undersigned is authorized to sign the Form 8038-G on behalf of the District and deliver it to Special Tax Counsel for filing with the IRS.

(c) *Single Issue; No Other Issues.* The Agreement constitutes a single "issue" under Regulations § 1.150-1(c). No other debt obligations of the District (1) are being sold within 15 days of the sale of the Lease Agreement, (2) are being sold under the same plan of financing as the Lease Agreement, and (3) are expected to be paid from substantially the same source of funds as the Lease Agreement (disregarding guarantees from unrelated parties, such as bond insurance).

(d) *Bank Qualified Tax-Exempt Obligation.* The District has designated the Lease Agreement as a “qualified tax-exempt obligation” under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) The District reasonably anticipates that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the District (and all subordinate entities of the District) during the calendar year that the Lease Agreement is executed and delivered, including the Lease Agreement, will not exceed \$10,000,000; and

(2) The District (including all subordinate entities of the District) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Lease Agreement is executed and delivered, including the Lease Agreement, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Special Tax Counsel that the designation of the Lease Agreement as a “qualified tax-exempt obligation” will not be adversely affected.

(e) *No Federal Guaranty.* The payment of lease payments on the Lease Agreement is not, and the District will not permit the payment of lease payments on the Lease Agreement to be, directly or indirectly guaranteed by the United States of America or any agency thereof.

(f) *Registration Requirement; Record Owner.* The District will maintain or cause to be maintained a record of the owner(s) of the Lease Agreement and the person/entity entitled to the receipt of the interest components of lease payments on the Lease Agreement. Transfer of ownership of the Lease Agreement is effective only if entered in these records. The Agreement will be held in registered form within the meaning of Code § 149(a).

(g) *Reliance.* The District understands that its certifications will be relied upon by Special Tax Counsel in rendering its opinion as to the exclusion from federal gross income of the interest component of lease payments payable by the District under the Lease Agreement.

(h) *Enforceability.* If any provision in this Tax Agreement or in the Lease Agreement is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

(i) *Electronic Transactions.* The transaction described in this Tax Agreement may be conducted, and related documents may be sent, received and stored by electronic means.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned, by execution of this Tax Agreement, hereby makes the foregoing certifications, representations, and agreements contained in this Tax Agreement on behalf of the District.

**SAN MATEO COUNTY MOSQUITO AND
VECTOR CONTROL DISTRICT**

By: _____
[Title]

EXHIBIT A

**LEASE AMORTIZATION SCHEDULE, CALCULATION OF WEIGHTED
AVERAGE MATURITY AND CALCULATION OF YIELD ON THE AGREEMENT**

[To be provided by Gilmore& Bell.]

EXHIBIT B

IRS FORM 8038-G

[To be signed and filed post-closing by Gilmore & Bell.]

EXHIBIT C

DESCRIPTION OF THE FINANCED PROPERTY

Description of the Financed Property:

The Financed Property consists of improvements to be acquired, constructed and installed at the District's operation and maintenance facility located at 1415 N. Carolan Avenue, Burlingame, California.

The estimated average economic life of the Financed Property is not less than 15 years, and the Financed Property is expected to be placed in service no later than December 31, 20__.

Sources and Uses of Funds:

Sources:

Lease Agreement Proceeds	\$5,000,000.00
District's Equity Contribution.....	<u>5,000,000.00</u>
Total Sources:	<u>\$10,000,000.00</u>

Uses:

Costs of the Project	\$ 9,950,000.00
Costs of Issuance.....	<u>50,000.00</u>
Total Uses:	<u>\$10,000,000.00</u>

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation financing the Project: Description of the Project: Placed in service date of the Project: Name of Compliance Officer: Period covered by request ("Annual Period"):		Lease Agreement dated as of November 4, 2026, between San Mateo County Mosquito and Vector Control District, as lessee ("the District"), and Municipal Finance Corporation, as lessor ("the Corporation") Operation and maintenance facility
Item	Question	Response
1 Ownership	For federal income tax purposes, was the Project owned by the District during the entire Annual Period?	☐ Yes ☐ No
	If answer above was "No," was an Opinion of Special Tax Counsel obtained prior to the transfer?	☐ Yes ☐ No
	If Yes, include a description of the advice in the Tax Compliance File.	
	If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	
2 Use of the Project	During the Annual Period, was any portion of the Project used by a Non-Qualified User pursuant to a lease, management or service agreement, research agreement or any other agreement granting the Non-Qualified User special legal rights to use the Project?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the arrangement?	☐ Yes ☐ No
	If Yes, include a description of the advice in the Tax Compliance File.	
	If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	
3 Arbitrage Rebate; Yield Restriction	Were any proceeds of the Lease Agreement on deposit in the Project Fund invested at any time at a yield that exceeded the yield on the Lease Agreement?	☐ Yes ☐ No
	Were any proceeds of the Lease Agreement on deposit in the Project Fund more than 3 years after the Closing Date of the Lease Agreement?	☐ Yes ☐ No
	Has the District set aside money in any fund or account in excess of an amount needed to pay debt service on the Lease Agreement within the next 12 months (i.e. is more than one year of debt service pre-funded)?	☐ Yes ☐ No
	If Yes to any of the above, contact a rebate analyst and incorporate report or include description of resolution in the Tax Compliance File.	

By: Compliance Officer: _____

Date: _____, 20__.

EXHIBIT E

SAMPLE FINAL WRITTEN ALLOCATION

\$5,000,000

**LEASE AGREEMENT DATED AS OF NOVEMBER 4, 2026, BETWEEN
MUNICIPAL FINANCE CORPORATION AND THE
SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

The undersigned is the Compliance Officer of San Mateo County Mosquito and Vector Control District (the “District”), and in that capacity is authorized to execute federal income tax returns required to be filed by the District and to make appropriate elections and designations regarding federal income tax matters on behalf of the District. This allocation of the proceeds of the tax-exempt obligation referenced above (the “Lease Agreement”) is necessary for the District to satisfy ongoing reporting and compliance requirements under federal income tax laws.

Purpose. This document, together with the schedules and records referred to below, is intended to memorialize allocations of proceeds of the Lease Agreement to expenditures for purposes of §§ 141 and 148 of the Internal Revenue Code (the “Code”). All allocations are or were previously made no later than 18 months following the date the expenditure was made by the District or, if later, the date the “project” was “placed in service” (both as defined below), and no later than 60 days following the 5th anniversary of the Closing Date of the Lease Agreement.

Background. The Lease Agreement was executed and delivered on November 4, 2026 (the “Closing Date”), by the District. The Lease Agreement was executed and delivered in order to provide a portion of the funds needed to make improvements to an operation and maintenance facility owned by the District located at 1415 N. Carolan Avenue, Burlingame, California (the “Project”) and pay costs of issuance in connection with the execution and delivery of the Lease Agreement. Proceeds of the Lease Agreement in the amount of \$4,950,000 were disbursed on the Closing Date to the District for deposit in the Project Fund established by the District under the Lease Agreement, with the remaining \$50,000 disbursed to pay costs of issuance.

Sources Used to Fund Project Costs and Allocation of Proceeds to Project Costs. A portion of the costs of the Project was paid from sale proceeds of the Lease Agreement and the remaining portion of the costs of the Project was paid from earnings from the investment of proceeds of the Lease Agreement in the Project Fund and from other money of the District as shown on **Schedule 1** to this Final Written Allocation.

Identification of Financed Property. The portion of the Project financed from proceeds of the Lease Agreement (i.e., the “Description of the Financed Property” listed in **Exhibit C** to the District’s Federal Tax Agreement) are listed on page 1 of **Schedule 2** to this Final Written Allocation.

Identification and Timing of Expenditures for Arbitrage Purposes. For purposes of complying with the arbitrage rules, the District allocates the proceeds of the Lease Agreement to the various expenditures described in the invoices, requisitions or other substantiation attached as **Schedule 2** to this Final Written Allocation. In each case, the cost requisitioned was either paid directly to a third party or reimbursed the District for an amount it had previously paid or incurred. Any amount received from proceeds of the Lease Agreement and retained as purchaser’s discount are allocated to that purpose and spent on the Closing Date. Amounts allocated to interest expense are treated as paid on the interest payment dates for the Lease Agreement.

Placed In Service. The Project was “placed in service” on the date set out on **Schedule 2** to this Final Written Allocation. For this purpose, the assets are considered to be “placed in service” as of the date on which, based on all the facts and circumstances: (1) the acquisition, constructing, equipping and installation of the Project has reached a degree of completion which would permit its operation at substantially its design level; and (2) the asset is, in fact, in operation at that level.

This allocation has been prepared based on statutes and regulations existing as of this date. The District reserves the right to amend this allocation to the extent permitted by future Treasury Regulations or similar authorities.

**SAN MATEO COUNTY MOSQUITO AND
VECTOR CONTROL DISTRICT**

By: _____
Title: _____

Dated: _____

Name of Legal Counsel/Law Firm Reviewing Final Written Allocation:

Date of Review: _____

**SCHEDULE 1
TO FINAL WRITTEN ALLOCATION**

ALLOCATION OF SOURCES AND USES

[Attach Spreadsheet after the Project is completed.]

**SCHEDULE 2
TO FINAL WRITTEN ALLOCATION**

**IDENTIFICATION OF FINANCED ASSETS
AND
DETAILED LISTING OF EXPENDITURES**

[Attach Spreadsheet after the Project is completed.]

EXHIBIT F

LENDER CERTIFICATE AS TO ISSUE PRICE

\$5,000,000

**LEASE AGREEMENT DATED AS OF NOVEMBER 4, 2026, BETWEEN
MUNICIPAL FINANCE CORPORATION AND THE
SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

The undersigned, on behalf of U.S. Bancorp Government Leasing and Finance, Inc. (the “Lender”), as assignee of Municipal Finance Corporation, as lessor, under the above-referenced lease agreement (the “Lease Agreement”), being executed and delivered on the date hereof, certifies and represents as follows:

1. Issue Price.

(a) *Issue Price.* On the date of this certificate, the Lender is acquiring the Lease Agreement for the amount of \$5,000,000. The Lender is not acting as an Underwriter with respect to the Lease Agreement. The Lender has no present intention to sell, reoffer, or otherwise dispose of the Lease (or any portion of the Lease or any interest in the Lease). The Lender has not contracted with any person pursuant to a written agreement to have such person participate in the execution and delivery of the Lease Agreement, and the Lender has not agreed with the San Mateo County Mosquito and Vector Control District (the “District”) pursuant to a written agreement to sell the Lease Agreement to persons other than the Lender or a Related Party to the Lender.

(b) *Defined Terms.*

(i) The term “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(ii) The term “Related Party” is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Lease to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Lease Agreement to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Lease Agreement to the Public).

This certificate may be relied upon by the District in executing and delivering the Federal Tax Agreement relating to the Lease Agreement, and by Gilmore & Bell, P.C., Special Tax Counsel to the Lender, in rendering its opinion relating to the exclusion from federal gross income of the interest portion of lease payments paid under the Lease Agreement and in preparing any informational return required to be filed with the Internal Revenue Service in connection with the execution and delivery of the Lease Agreement .

Dated: November 4, 2026.

**U.S. BANCORP GOVERNMENT LEASING AND
FINANCE, INC.**

By: _____
Name: _____
Title: _____

AFTER RECORDATION RETURN TO:

Gilmore & Bell, P.C.
2405 Grand Blvd., Suite 1100
Kansas City, MO 64108
Attention: Jason Schurke, Esq.

DOCUMENTARY TRANSFER TAX: \$0.00 AS THE TERM OF THE LEASE AND ALL EXTENSIONS IS LESS THAN THIRTY-FIVE (35) YEARS. PROPERTY IS LOCATED IN THE CITY OF BURLINGAME. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement (this “Memorandum of Lease Agreement”), is entered into as of November 4, 2026, between **MUNICIPAL FINANCE CORPORATION**, a corporation duly organized and existing under the laws of the State of California, as lessor (the “Corporation”), and **SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**, a mosquito abatement and vector control district organized and existing under and by virtue of the laws of the State of California (the “District”), who agree as follows:

Section 1. The Lease. The District leases from the Corporation, and the Corporation leases to the District, certain real property described in **Section 2** hereof, and the administration building and improvements situated upon said real property, upon the terms and conditions, and for the term, more fully set forth in the Lease Agreement, dated as of November 4, 2026, between the Corporation, as lessor, and the District, as lessee (the “Lease Agreement”), all of the provisions of which are hereby incorporated into this Memorandum of Lease Agreement by reference.

Section 2. Leased Premises; Term. The Corporation leases, lets and demises unto the District and the District leases, hires and takes from the Corporation, that certain parcel of real property situated in the City of Burlingame, County of San Mateo, State of California, more particularly described in **Exhibit A** attached hereto and made a part hereof and those certain improvements on the Site (collectively, the “Property”). The Lease Agreement is for a term commencing on the date of recordation of this Memorandum of Lease Agreement and ending on November 1, 2041, or such earlier or later date on which the Lease Payments (as defined in the Lease Agreement) are paid in full or provision has been made for such payment in accordance with the Lease Agreement.

Section 3. Assignment of Lessor’s Rights Under Lease Agreement; No Merger of Title. The parties hereto acknowledge that pursuant to the Assignment Agreement, dated as of November 4, 2026, between the Corporation and U.S. Bancorp Government Leasing and Finance, Inc. (the “Assignee”), recorded concurrently herewith, the Corporation has assigned, transferred and delivered to the Assignee, all of its rights, title and interest in, to and under the Site Lease dated as of

November 4, 2026, by and between the District and the Corporation and recorded concurrently herewith (as defined in the Lease Agreement) and the Lease Agreement.

Section 4. Provisions Binding on Successors and Assigns. Subject to the provisions of the Lease Agreement relating to assignment and subletting, the Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns, including the Assignee.

Section 5. Purpose of Memorandum. This Memorandum of Lease Agreement is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

Section 6. Execution. This Memorandum of Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. State Law. This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Corporation has caused this Memorandum of Lease Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Memorandum of Lease Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

MUNICIPAL FINANCE CORPORATION

By: _____
William A. Morton
President

**SAN MATEO COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**

By: _____
[Name]
Board President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2026, before me, _____, Notary Public,
personally appeared William A. Morton ,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO)

On _____, 2026, before me, _____, Notary Public,
personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property consists of the land described below located at 1351 Rollins Road, Burlingame, California 94010, together with the administration building and improvements located thereon and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto, and any and all insurance and/or proceeds thereof, described as follows:

[To Come.]

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease Agreement, dated as of November 4, 2026, from Municipal Finance Corporation (the “Corporation”) as lessor, to San Mateo County Mosquito and Vector Control District (the “District”), as lessee, is hereby accepted by the undersigned officer on behalf of the District, pursuant to authority conferred by resolution of the District Board adopted on October 14, 2026, and the District consents to recordation thereof by its duly authorized officer.

Dated: November 4, 2026.

**SAN MATEO COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**

By: _____
[Name]
Board President



1415 N. Carolan Ave. Project Management Report

Reporting date

9/1/2026 – 9/30/2026

Project objective(s)

1. Eliminate the need for leased property
2. Meet District staff, parking, and equipment storage space short and long-term needs
3. Develop a financial strategy that pays for construction and associated costs
4. Prioritize building projects based on need and cost

Work completed in September 2026

1. Weekly meetings continued with AETYPIC, CPM, Beals Martin, Brokaw Design, and District staff.
2. Foundation work advanced: underground plumbing was completed and inspected, most footings were placed, spread footing work continued, and the elevator pit slab was prepared.
3. Structural work progressed, including shear wall framing, interior layout, glulams, roof framing upgrades, and roof post anchors.
4. Roof work continued, with TPO roofing delayed about one week for remaining open items and weather head coordination.
5. Dewatering is complete
6. The encroachment permit was issued

Work planned for completion in October 2026

1. Continue weekly meetings and secure Beals Martin's and team
2. Continue spread footings, raft, reinforcement, base, slab-on-grade, and elevator pit concrete work.
3. Finish glulams, shear and interior framing, and structural steel columns.
4. Complete remaining roof upgrades, HVAC curbs/platforms, post anchors, weather-head coordination, and start TPO roofing.
5. Coordinate furniture selections and plan a mid-October Board/stakeholder site tour.

Outlook for the remainder of 2026

1. Construction will remain active through 2026, focusing on structural, roofing, site/civil improvements, and interior work.
2. Substantial completion remains March 26, 2027, and final completion remains April 29, 2027, pending the updated schedule and any approved time extension.

Change Order and Proposed Change Order Log

Initial ROM estimates total \$288,464. Submitted costs total \$108,043 and reflect priced amounts received to date. Pending items without submitted pricing are excluded from the available contingency balance, and the canceled roll-up door item contributes \$0.

The Board-approved construction contingency is \$715,665, equal to 10% of the \$7,156,650 construction contract amount. Submitted costs total \$108,043, leaving an available contingency balance of \$607,622.

Status legend: Approved Pending / awaiting revision Canceled

Item	Description	Document Reference	Initial ROM	Submitted Cost	Status / Comments
1	Demo, Shoring, Concrete	Bulletins 3 & 4; RFI 17	\$65,477	\$65,477	Approved
2	Raft System	RFI 18	\$28,221	\$24,506	Approved
3R1	Added Signage	Submittal	\$773	\$773	Approved
4	Added Electrical Work	RFI 10	\$59,099		Pending opening option details from the structural engineer.
5	Upgrade Roll-Up Doors	Submittal	\$5,116	\$0	Canceled
6	Fire Flow Test and Plan/Permit Fee		\$1,766	\$1,766	Approved
7	Structural Framing Corrections	Bulletin 2.1	\$95,896		Waiting on revision from Beals Martin.
8	Sleeving Through Footings	RFI 19	\$6,920	\$6,920	Approved
9	Dewatering Footings	RFI 31	\$8,601	\$8,601	Approved
10	Weather Head at Roof	Bulletin 5	\$16,595		Waiting on revision from Beals Martin.
11	Roof Hazmat Credit				
Total			\$288,464	\$108,043	
Total Contingency in Contract					\$715,665
Available Balance					\$607,622

Budget status and outlook

Total budget approved for Phase 2:	\$ 10,100,000
Budget spent for Phase 2 (construction plans):	\$ 1,808,845
Total budget spent since property purchase *:	\$ 1,966,097

*See details attached as Agenda Item 6D.1



Spread Footing for large earthquake retrofit shear wall



Base of elevator shaft



Structural ceiling blocking related to the earthquake retrofit and wall framing for first floor rooms

SAN MATEO COUNTY MOSQUITO
Transaction Report
July 1, 2021-April 25,2026

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10	Column11
	Account	Date	Type	Num	Name	Memo/Description	Account full name	Account	Amount	Balance
6010 Building Improvements										
	6010 Building Improvements	08/12/2021	Bill	18823561-1st half Dp	Bay Alarm Company	1415 N. Carolan-Alarm Installation-1st Half Deposit	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	1,889	1,889
	6010 Building Improvements	08/27/2021	Bill	74937	All Fence Company Inc.	Repair & replace chain link fence @ 1415 N Carolan	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	1,685	3,574
	6010 Building Improvements	09/08/2021	Bill	18989742-2nd half Dp	Bay Alarm Company	1415 N. Carolan-Alarm Installation-2nd Half Deposit	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	1,889	5,463
	6010 Building Improvements	12/11/2021	Bill	C57-406	Bay Area Paving Co. Inc.	Replaced cracked driveway and sidewalk (1415 N. Carolan) PO#02706-1767	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	7,866	13,329
	6010 Building Improvements	05/17/2022	Journal Entry	05172022A		Re-code 1415 N Carolan Ground Mulch Cover Refresh	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements		3,090	16,419
	6010 Building Improvements	05/17/2022	Journal Entry	05172022A		Re-code 1415 N Carolan Landscape Improvements	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements		4,878	21,297
	6010 Building Improvements	06/24/2022	Journal Entry	06242022A		Re-code to 6010-1415 N Carolan Intrusion Alarm Install-1st 1/2 Dep	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements		325	21,622
	6010 Building Improvements	06/24/2022	Journal Entry	06242022A		Re-code to 6010-1415 N Carolan Intrusion Alarm Install-2nd 1/2 Dep	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements		325	21,947
	6010 Building Improvements	11/03/2022	Bill	AET-2022-I007	Aetypic, Inc.	Geotechnical Services: 1415 N. Carolan Ave Improvement Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	11,352	33,298
	6010 Building Improvements	12/08/2022	Bill	AET-2022-K003	Aetypic, Inc.	Professional Services thru 11/25/22: 1415 N. Carolan Improv Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	96,421	129,720
	6010 Building Improvements	04/12/2023	Bill	AET-2023-C003	Aetypic, Inc.	Professional Services thru 03/31/2023: 1415 N. Carolan Improv Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	12,947	142,666
	6010 Building Improvements	06/30/2023	Bill	AET-2023-F007	Aetypic, Inc.	Professional Services thru 06/30/2023: 1415 N. Carolan Improv Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	14,585	157,251
	6010 Building Improvements	12/08/2023	Bill	23-15-01	Capital Program Management Inc.	Construction Mgmt Services thru 11/30/2023; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	389	157,640
	6010 Building Improvements	01/08/2024	Bill	23-15-02	Capital Program Management Inc.	Construction Mgmt Services thru 12/31/2023; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,720	160,359
	6010 Building Improvements	02/06/2024	Bill	AET-2024-A004	Aetypic, Inc.	Professional Services thru 01/26/2024 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	400	160,759
	6010 Building Improvements	02/06/2024	Bill	AET-2023-J008	Aetypic, Inc.	Professional Services thru 10/27/2023 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,796	166,555
	6010 Building Improvements	02/09/2024	Bill	23-15-03	Capital Program Management Inc.	Construction Mgmt Services thru 01/31/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,662	171,217
	6010 Building Improvements	03/08/2024	Bill	23-15-04	Capital Program Management Inc.	Construction Mgmt Services thru 02/29/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,830	175,047
	6010 Building Improvements	04/08/2024	Bill	23-15-05	Capital Program Management Inc.	Construction Mgmt Services thru 03/31/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,830	178,876
	6010 Building Improvements	05/10/2024	Bill	23-15-06	Capital Program Management Inc.	Construction Mgmt Services thru 04/30/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,163	183,039
	6010 Building Improvements	06/10/2024	Bill	23-15-07	Capital Program Management Inc.	Construction Mgmt Services thru 05/31/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,054	185,092
	6010 Building Improvements	06/30/2024	Bill	AET-2024-F009	Aetypic, Inc.	Professional Services thru 6/30/2024 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	29,285	214,377
	6010 Building Improvements	06/30/2024	Bill	24-14-01	Capital Program Management Inc.	Construction Mgmt Services thru 06/30/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,607	218,984
	6010 Building Improvements	08/09/2024	Bill	24-14-02	Capital Program Management Inc.	Construction Mgmt Services thru 07/31/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	8,250	227,233
	6010 Building Improvements	09/04/2024	Bill	AET-2024-H006	Aetypic, Inc.	Professional Services thru 8/31/2024 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	18,967	246,200
	6010 Building Improvements	09/09/2024	Bill	24-14-03	Capital Program Management Inc.	Construction Mgmt Services thru 08/31/2024; Proj No. 23-15 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,137	251,336
	6010 Building Improvements	10/09/2024	Bill	24-14-04	Capital Program Management Inc.	Construction Mgmt Services thru 09/30/2024; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,106	256,442
	6010 Building Improvements	10/30/2024	Bill	AET-2024-J010	Aetypic, Inc.	Professional Services thru 10/25/2024 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	21,723	278,165
	6010 Building Improvements	11/08/2024	Bill	24-14-05	Capital Program Management Inc.	Construction Mgmt Services thru 10/31/2024; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	14,704	292,869
	6010 Building Improvements	12/09/2024	Bill	24-14-06	Capital Program Management Inc.	Construction Mgmt Services thru 11/30/2024; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	6,050	298,918
	6010 Building Improvements	12/16/2024	Bill	AET-2024-K013	Aetypic, Inc.	Professional Services thru 11/29/2024 (1415 N. Carolan Improv Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	8,247	307,165
	6010 Building Improvements	01/10/2025	Bill		Capital Program Management Inc.	Construction Mgmt Services thru 1/30/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	13,215	320,380
	6010 Building Improvements	01/22/2025	Bill	AET-2024-L004	Aetypic, Inc.	Part 2 Prof. Services thru 12/27/2024 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	11,947	332,327
	6010 Building Improvements	02/06/2025	Bill	AET-2025-A010	Aetypic, Inc.	Part 2 Prof. Services thru 01/31/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	8,253	340,580
	6010 Building Improvements	02/10/2025	Bill	24-14-08	Capital Program Management Inc.	Construction Mgmt Services thru 01/31/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	18,963	359,542
	6010 Building Improvements	3/10/2025	Bill	24-14-09	Capital Program Management Inc.	Construction Mgmt Services thru 03/24/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	13,079	372,621
	6010 Building Improvements	04/01/2025	Bill	AET-2025-B008	Aetypic, Inc.	Part 2 Prof. Services thru 02/28/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	24,338	396,959
	6010 Building Improvements	04/08/2025	Bill	24-14-10	Capital Program Management Inc.	Construction Mgmt Services thru 03/31/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	10,369	407,328
	6010 Building Improvements	04/15/2025	Bill	AET-2025-C003	Aetypic, Inc.	Part 2 Prof. Services thru 03/31/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	189,477	596,805

6010 Building Improvements	05/01/2025	Bill	B25-0347	City of Burlingame	Building Permit for 1415 N Carolan Ave Improvement Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	139,109	735,914
6010 Building Improvements	05/09/2025	Bill	24-14-11	Capital Program Management Inc.	Construction Mgmt Services thru 04/30/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,523	739,437
6010 Building Improvements	05/18/2025	Bill	AET-2025-D007	Aetypic, Inc.	Part 2 Prof. Services thru 04/25/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	24,837	764,274
6010 Building Improvements	06/06/2025	Bill	24-14-12	Capital Program Management Inc.	Construction Mgmt Services thru 05/31/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,351	769,626
6010 Building Improvements	06/10/2025	Bill	1415 N. Carolan	Central County Fire Dept.	Fire Flow Test Applic. Fee-1415 N Carolan Ave	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	432	770,058
6010 Building Improvements	7/22/2025	Bill	97322	Safe2core	Concrete Cutting & Utility Location	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	8,100	778,158
6010 Building Improvements	8/8/2025	Bill	24-14-14	Capital Program Management Inc.	Construction Management Service	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,043	782,200
6010 Building Improvements	9/8/2025	Bill	24-14-15	Capital Program Management Inc.	Construction Management Service	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,100	786,300
6010 Building Improvements	9/29/2025	Bill	AET-2025-H013	Aetypic, Inc.	Part 2-D Construction Documents	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	10,663	796,963
6010 Building Improvements	10/10/2025	Bill	24-14-16	Capital Program Management Inc.	Capital Program Management Fees	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,158	801,121
6010 Building Improvements	10/23/2025	Bill	AET-2025-I007R	Aetypic, Inc.	Part 2-D: Construction Docs thru 09/26/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	9,340	810,461
6010 Building Improvements	11/10/2025	Bill	24-14-17	Capital Program Management Inc.	Construction Mgmt Services thru 10/31/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,308	812,829
6010 Building Improvements	11/17/2025	Bill	AET-2025-J017	Aetypic, Inc.	Part 2-D: Construction Docs thru 10/31/2025 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,425	818,254
6010 Building Improvements	12/08/2025	Bill	24-14-18	Capital Program Management Inc.	Construction Mgmt Services thru 11/30/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,252	820,506
6010 Building Improvements	1/9/2026	Bill	24-14-19	Capital Program Management Inc.	Construction Mgmt Services thru 12/31/2025; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,465	823,971
6010 Building Improvements	2/6/2026	Bill	24-14-20	Capital Program Management Inc.	Construction Mgmt Services thru 1/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,830	827,801
6010 Building Improvements	3/6/2026	Bill	24-14-21	Capital Program Management Inc.	Construction Mgmt Services thru 1/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	21,914	849,715
6010 Building Improvements	3/25/2026	Bill	AET-2026-B008	Aetypic, Inc.	Part 2-D: Construction Docs thru 02/27/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	4,200.00	853,915
6010 Building Improvements	3/25/2026	Bill	AET-2026-B009	Aetypic, Inc.	Part 3: Bidding Services thru 02/27/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	3,675.00	857,590
6010 Building Improvements	4/9/2026	Bill	AET-2026-C007	Aetypic, Inc.	Part 3: Bidding & Plan CK Servl thru 03/27/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	1,896	859,486
6010 Building Improvements	4/10/2026	Bill	24-14-22	Capital Program Management Inc.	Construction Mgmt Services thru 3/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	20,727	880,214
6010 Building Improvements	5/13/2026	Bill	Demo Waste Permit	City of Burlingame	Recycling Deposits for 1415 N. Carolan	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	10,000	890,214
6010 Building Improvements	5/13/2026	Bill	24-14-23	Capital Program Management Inc.	Construction Mgmt Services thru 4/30/2026	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	11,659	901,873
6010 Building Improvements	5/28/2026	Bill	B25-0347 Bldg Permit	City of Burlingame	Building Permit for 1415 N Carolan Ave Improvement Project	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	139,919	1,041,792
6010 Building Improvements	5/28/2026	Bill	24-14-24	Capital Program Management Inc.	Construction Mgmt Services thru 5/31/2026	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	16,811	1,058,603
6010 Building Improvements	5/28/2026	Bill	24-14-25	Capital Program Management Inc.	Construction Mgmt Services thru 6/30/2026	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	5,785	1,064,388
6010 Building Improvements	5/28/2026	Bill	26-3925	Beals Martin Inc	Construction at 1415 N. Carolan	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	223,456	1,287,844
6010 Building Improvements	06/03/2026	Bill	B25-0347-Bldg Permit	City of Burlingame	Building Permit for 1415 N Carolan Ave Improvement Project-Beals Martin & Assoc.	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	139,919.18	1,427,763
6010 Building Improvements	06/09/2026	Bill	24-14-24	Capital Program Management Inc.	Construction Mgmt Services thru 5/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	16,811.00	1,444,574
6010 Building Improvements	06/26/2026	Bill	750781-1	Smith-Emery San Francisco	Concrete inspection (1415 N Carolan Improvement)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,366.84	1,446,941
6010 Building Improvements	06/26/2026	Bill	AET-2026-F006	Aetypic, Inc.	Part 4-F: Construction Observation thru 06/26/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	8,455.00	1,455,396
6010 Building Improvements	06/30/2026	Bill	24-14-25	Capital Program Management Inc.	Construction Mgmt Services thru 6/30/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	12,953.75	1,468,350
6010 Building Improvements	06/30/2026	Bill	26-3925-02	Beals Martin Inc	Construction work up to 6/30/2026 (1415 N Carolan Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	281,561.95	1,749,912
6010 Building Improvements	06/30/2026	Bill	AET-2026-E017	Aetypic, Inc.	Part 4-F: Construction Observation thru 05/29/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	7,978.75	1,757,890
6010 Building Improvements	06/30/2026	Bill	AET-2026-F005	Aetypic, Inc.	Part 3: Bidding & Plan CK Consultant thru 6/30/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	12,390.00	1,770,280
6010 Building Improvements	06/30/2026	Bill	AET-2026-E016	Aetypic, Inc.	Part 3: Plan Check & Bidding Serv thru 5/29/2026 (1415 N. Carolan Improv Proj)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	7,153.00	1,777,433
6010 Building Improvements	07/31/2026	Bill	26-3925-03	Beals Martin Inc	Construction work up to 7/31/2026 (1415 N Carolan Project)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	121,413.80	1,898,847
			24-14-26	Capital Program Management Inc.	Construction Mgmt Services thru 7/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	16,897.25	1,915,744
			24-14-27	Capital Program Management Inc.	Construction Mgmt Services thru 8/31/2026; Proj No. 24-14 (1415 N Carolan)	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	14,174.25	1,929,919
			PW26-0613	City of Burlingame	1415 N Carolan Ave Proj- Encroachment Permit	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	2,328.00	1,932,247
			PW26-0613	City of Burlingame	Refundable Bond	6000 CAPITAL IMPROVEMENTS:6010 Building Improvements	Accounts Payable	33,850.00	1,966,097



Agenda Item 7.A. – Operations Staff Program Reports

Field Operations in September 2026

Rodent education, one block at a time



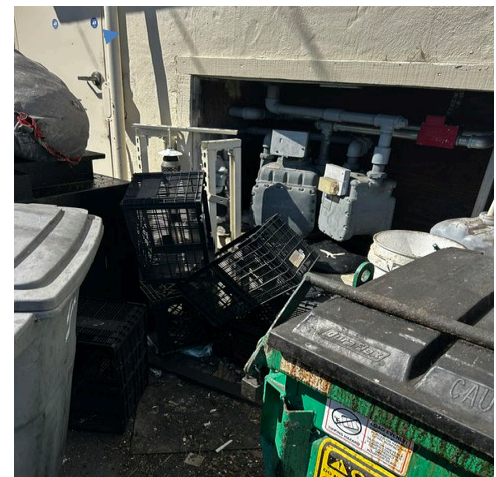
A damaged vent screen with evidence of rub marks from rodents.

Rodent inspections are one of the most frequently requested district services. Over the last 5 years, district staff have conducted over 3,000 rodent inspections on commercial and residential properties throughout San Mateo County. A typical rodent inspection by our Certified Vector Control Technicians takes about 30 minutes and results in a report detailing what residents or property owners can do to make their property less attractive to rodents. When more property owners request this service and follow our recommendations, the chance of rats living in their neighborhood is reduced. We suggest helpful tips such as eliminating hiding places by reducing clutter, trimming back vegetation, and pointing out exact spots on their home/building where sealing entry points will prevent rats from entering.

Over the past few years, district staff have also worked with cities to address rodent issues in their downtown areas. As restaurants have expanded outdoor dining options, rodent sightings have also increased. When cities contact us, we provide a detailed evaluation of areas known to have rodent activity, based on reports from city employees, business

owners, and members of the public. The district takes a one-block-at-a-time approach, starting with the most problematic sections of downtown.

The operations supervisor uses the district's map-based database to create a map of all the parcels in the inspection area and sets a site pin on each parcel. District staff divide the pins among themselves for inspections. Using the database allows staff to directly enter real time data using the talk-to-text option to record evidence of rodents on each property. This hands-free option lets the vector control team work efficiently without typing their findings and keeps their eyes on the lookout for signs of rodent activity. This process is efficient in the field, and the direct data entry also lets us export a spreadsheet from our database program and quickly produce a



Lots of clutter and hiding places for rats in the Alley behind the restaurants.



Agenda Item 7.A. – Operations Staff Program Reports

detailed report identifying all parcels within the inspection area and what each property can do to make its business less attractive to rodents.

After we complete all inspections, we provide our findings to the city, and they work with property owners to implement our recommendations. In areas with many restaurants, we typically find attractants—such as food waste—that aren't properly sealed or disposed of in the dumpsters. Another common issue is clutter behind the restaurants, which provides many hiding places for rodents; sometimes we find areas where rats could be living. Our recommendations include reducing clutter, sealing entry points that allow rats to live in some structures, and ensuring food waste is handled properly. Once we hand off the data and report to the city, we also offer follow-up services if any individual property owners need further help making the area less attractive to rodents.

District staff in action



Vector Control Technician Louis and Operations Supervisor Ryan working on Bair Island.



Vector Control Technician Evan inspects for invasive mosquitoes.



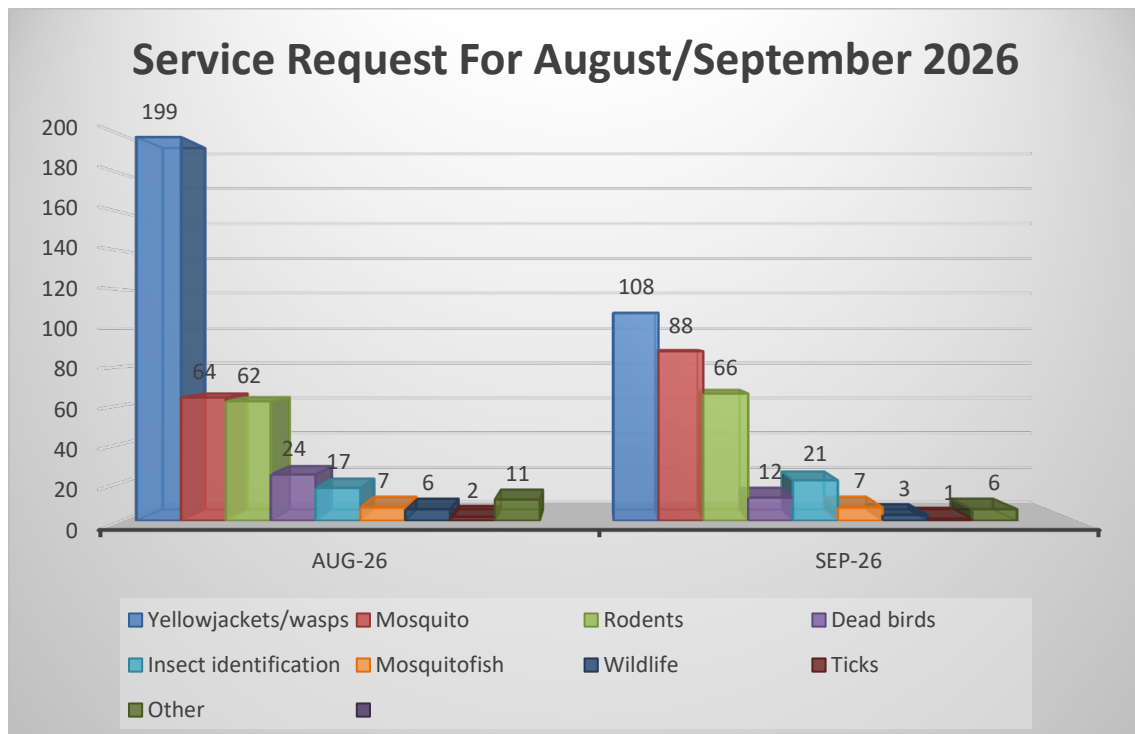
Agenda Item 7.A. – Operations Staff Program Reports

August/September 2026 Service Requests

<u>Type of Request</u>	<u>August 2026</u>	<u>September 2026</u>
Yellowjackets/wasps	199	108
Mosquito	64	88
Rodents	62	66
Dead birds	24	12
Insect identification	17	21
Mosquitofish	7	7
Wildlife	6	3
Ticks	2	1
Other	11	6
Total	392	312

The total number of service requests in August was lower than average (392 requests compared to a five-year average of 569). Yellowjackets and other wasp requests were the furthest below average (199 compared to a five-year average of 326), but were still the most frequently requested service, as is typical in the summer. Mosquito and mosquitofish service requests were also well below the five-year average, which was fortunate because it gave vector control technicians time to focus on checking for breeding sources around an *Aedes aegypti* detection in Redwood City.

Service requests in the category “other” included insect-related inquiries about fleas, flies, ants, and bees.





Agenda Item 7.A. – Operations

Staff Program Reports

Aedes aegypti Update

Friendly Acres neighborhood of Redwood City

- First detection was in late July
- Our staff visited more than 400 properties.
- Adult mosquitoes were found at three properties. No other life stages detected.
- No additional reports or evidence have been detected in this area.

North Fair Oaks

- First detection was in early September
- We have visited over 500 properties.
- We have found *Aedes aegypti* on about two dozen properties throughout a several-block-area. We detected all four life stages, indicating a well-established mosquito population.
- Each finding expands our detection area, so we continue to work our way out to delineate the area.

New detection - Redwood Oaks neighborhood of Redwood City

- First detection was in early October
- We have visited over 200 properties
- This area is near, but not within the flight range of, the North Fair Oaks detection area. This is a new detection.
- We have found *Aedes aegypti* larvae, pupae, and adults on several properties in a multi-block area. Each finding expands our detection area, and we continue work to delineate the affected area.



Agenda Item 7.B. – Laboratory Staff Program Reports

Lab Activities in September 2026

Autumn: When Termites Take Flight

Fall rain brings relief from summer heat, the scent of warm spices, cozy blankets, and a dreamlike glint as sunlight catches the fairy wings of millions of termites taking flight.

Termites aren't just pests that damage homes; they are vital decomposers of dead trees, logs, sticks, and other hard plant material. They break down wood by chewing it and by cultivating fungus gardens, tending them like farmers and eating the fungus as it consumes the rotting wood. Because this work requires just the right moisture, termites time their activity carefully.

In late summer and early fall, some termite nymphs are born with wing buds. After their final molt, the buds become two pairs of wings. For the next two weeks, the colony cares for these future kings and queens as they fatten up, harden their bodies, expand their wings, and prepare to take flight. On the evening of the nuptial flight, workers open new nest exits, and the alates (winged adults) take to the air to mate and found kingdoms of their own. Most never reach their new land. Birds such as woodpeckers, wrens, and jays descend on the swarm, and after sunset, bats take a heavy toll.



Western drywood termite

Photo by Emily Langdon-Lassagne.
Retrieved from [inaturalist.org](https://www.inaturalist.org)



Termite alates swarming on a wall.

Photo from Shutterstock.

Surviving alates approach dark areas of wood surfaces that may indicate decay and snap off their wings soon after landing. A male mates with a female, linking up like train cars as they search for an excavation site. The female does most of the digging while other males may wait outside. Once the opening can admit two termites, one male enters and fights off rivals. From this pairing, a new colony is born. The hole they dug allows humidity into the log, accelerating wood decay, easing excavation, and providing food for their offspring.

Fall may be perfect for termites, but it is also the right time to prepare your home for the swarm. In late September or early

October, inspect siding and trim for decay or water infiltration, and make sure caulking, flashing, and paint are in good condition. Keep soil six inches below the bottom edge of stucco or siding, trim plants away from the house, and ensure water drains reliably from downspouts and patios. With these precautions, you can enjoy the fairy-tale spectacle of termites without worrying about the damage they may bring.



Agenda Item 7.B. – Laboratory Staff Program Reports

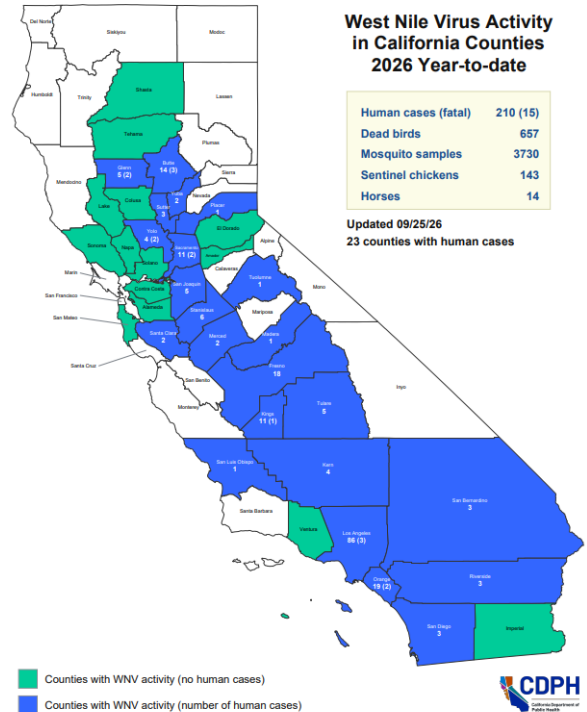
West Nile Virus 2026 Season

San Mateo County

Through the end of September, San Mateo County reported 537 dead birds in 2026. Of these, 128 were suitable for testing, and nine (7%) tested positive for West Nile virus (WNV). The positive birds include two American crows from Atherton, six American crows from Menlo Park, and one oak titmouse from Menlo Park. To date, no mosquito samples or horses in San Mateo County have tested positive this year.

California

Thus far in 2026, WNV has been detected in 37 counties in California (see map). Statewide, 8,903 dead birds have been reported, 2,058 have been tested and 691 have tested positive for WNV (34%). In 2026, 3,730 mosquito samples have tested positive for WNV. In 2026, 14 horses from counties across California tested positive for WNV. To date, California has 210 human cases of WNV in 2026, nearly three times the five-year average of 75. Additionally, 143 sentinel chickens have tested positive for WNV this year from ten counties: Los Angeles, Butte, Sutter, Tehama, Contra Costa, Shasta, Tulare, Yuba, Colusa, and Lake.

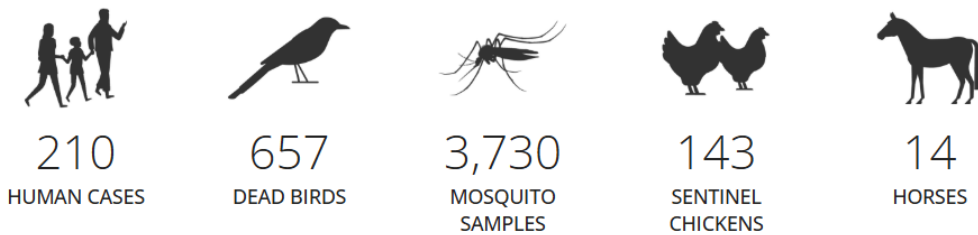


West Nile Virus Dead Bird Hotline

The California Department of Public Health's West Nile virus call center will transition seasonally from live operators to online report submission on October 16, 2026. Residents who find a dead bird in good condition should call **1-877-WNV-BIRD** (1-877-968-2473) or file a report online at westnile.ca.gov. If the bird is suitable for testing, the District will collect the carcass and test for mosquito-borne diseases.

2026 WEST NILE VIRUS ACTIVITY IN CALIFORNIA

LAST UPDATED: SEP 25, 2026 4:06PM PT



Map and infographic from <https://westnile.ca.gov/>



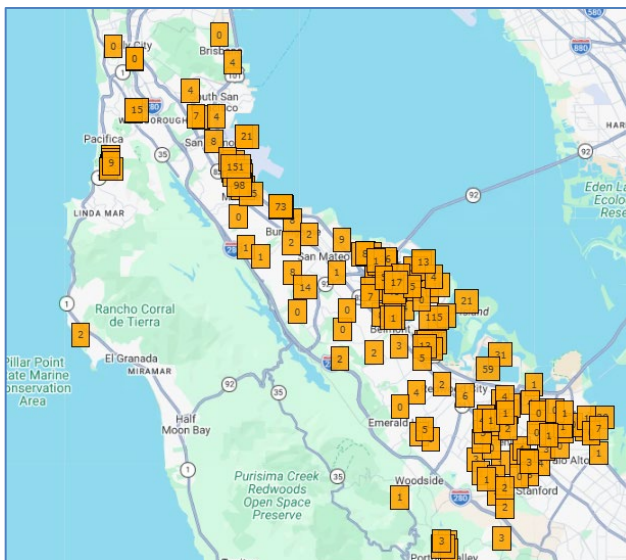
Agenda Item 7.B. – Laboratory Staff Program Reports

CO₂ Traps – Average adult mosquitoes collected per trap per night

Adult mosquito counts in September were near average. *Culex pipiens* was the most frequently collected mosquito species, followed closely by *Culex erythrothorax*. Both species prefer to feed on birds and can play a role in the West Nile virus transmission cycle. At times, they can transmit the virus to humans, particularly *Culex pipiens*, which is commonly found in residential neighborhoods. *Culex erythrothorax* breeds in ponds and marshes containing tules (cattails).

The table below shows the average number of adult female mosquitoes collected per trap per night in September compared with the five-year average. The line graphs on the next page show the average number of mosquitoes from each of the six most common species collected per trap per night by month in 2026, along with the corresponding five-year monthly averages.

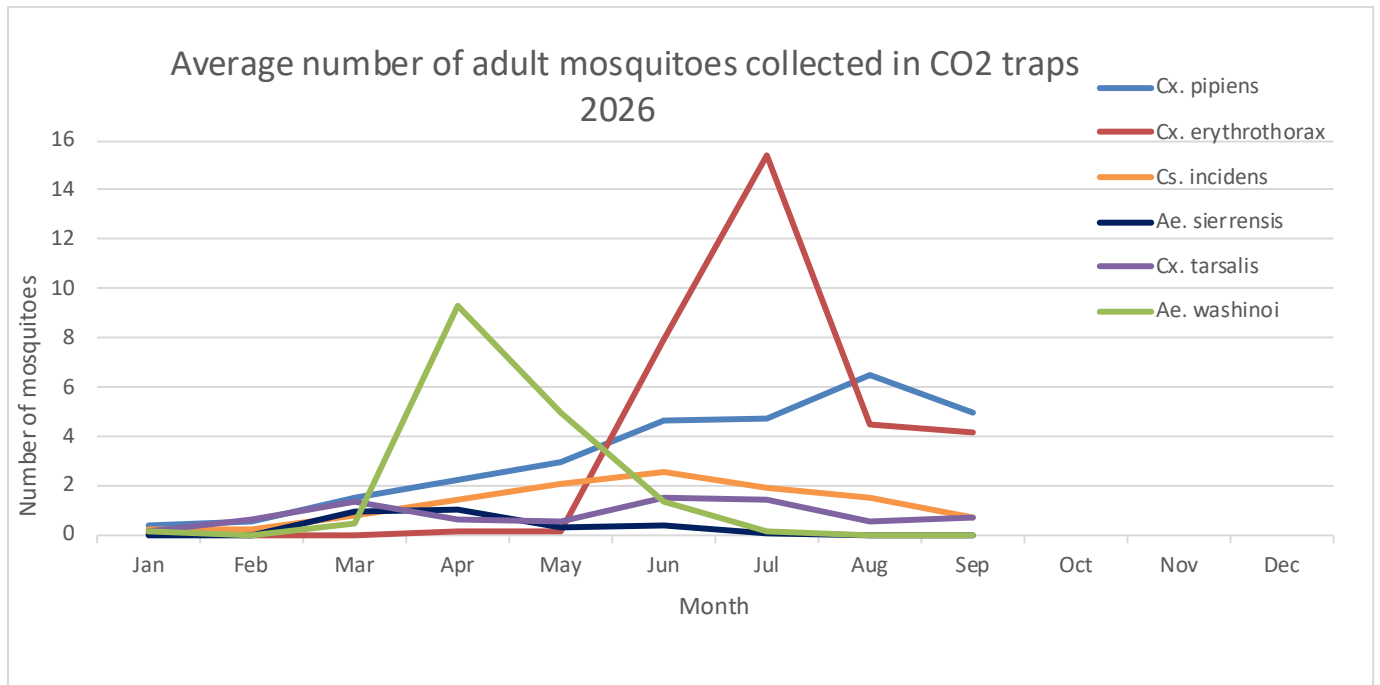
<u>Species</u>	<u>September 2026</u>	<u>5-year September average</u>
 <i>Culex pipiens</i>	4.99	6.67
 <i>Culex erythrothorax</i>	4.16	6.39
 <i>Culiseta incidens</i>	0.70	1.20
 <i>Aedes sierrensis</i>	0.00	0.01
 <i>Culex tarsalis</i>	0.68	1.24
 <i>Aedes washinoi</i>	0.02	0.02



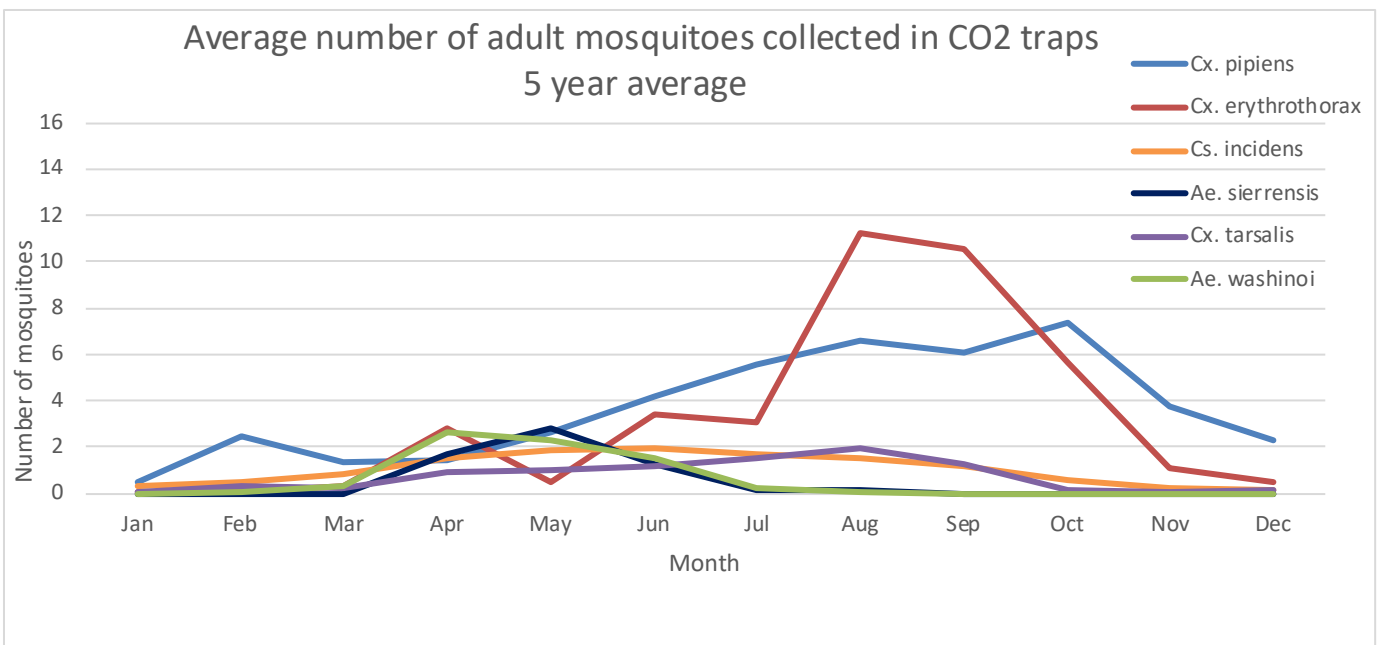
The District documents all mosquito trap collections in its MapVision data management system. This screenshot shows CO₂ trap counts from San Mateo County in September 2026.



Agenda Item 7.B. – Laboratory Staff Program Reports



Average number of adult mosquitoes collected in CO₂ traps per trap per night in 2026. The graph shows the six most common species of mosquitoes trapped in San Mateo County.



Average number of adult mosquitoes collected in CO₂ traps per trap per night over the past five years. The graph shows the six most common species of mosquitoes trapped in San Mateo County.



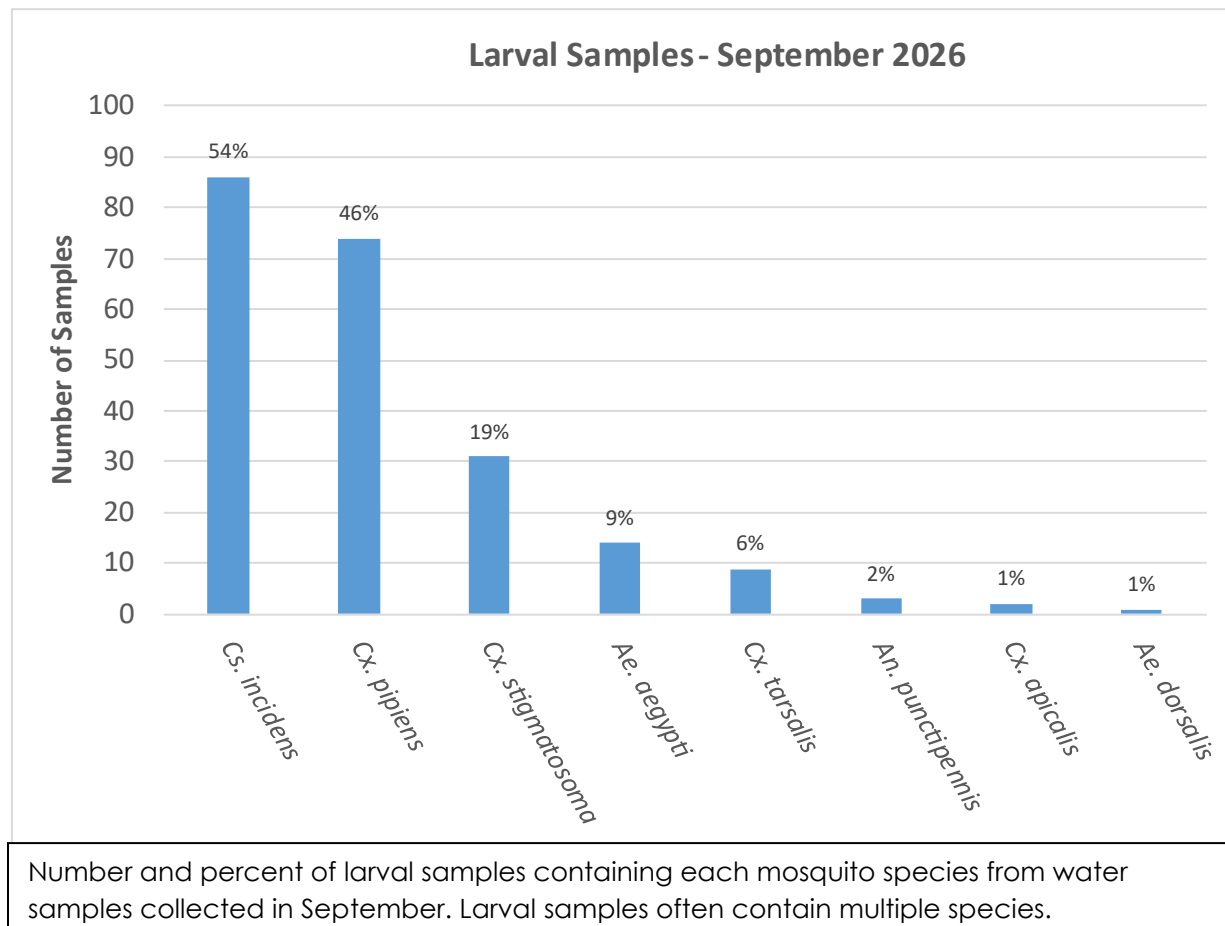
Agenda Item 7.B. – Laboratory Staff Program Reports

Larval Surveillance

In September, staff collected mosquito larval samples from backyard fountains and fishponds, water under buildings, storm drains, containers in yards, and other residential sources. District staff collected 160 larval samples during this month. Technicians use a dipper to collect water samples and visually inspect them for mosquito larvae. If larvae are present in a sample, it is taken back to the District laboratory for species identification.

The collected samples contained larvae from eight mosquito species. The most frequently detected species in September was *Culiseta incidens* (present in 54% of samples). This mosquito breeds year-round and is frequently collected from fishponds, containers holding water, and freshwater impounds. Technicians have sampled these sources to detect invasive *Aedes* species, which often breed in suburban water sources.

Technicians detected the mosquito species *Aedes aegypti* in larval samples for the first time in ten years. This invasive mosquito aggressively bites humans and other mammals. It can transmit pathogens that cause several diseases, including yellow fever, dengue fever, Zika, and chikungunya. District staff are working diligently to detect this mosquito and eliminate all breeding sources in the neighborhoods where it has been found this year.





Agenda Item 7.B. – Laboratory Staff Program Reports

Trapping for *Aedes aegypti*

The District uses special types of traps designed to detect the invasive *Aedes aegypti* mosquito.

Ovi-traps are dark-colored buckets or cups of water that attract female mosquitoes looking for a place to lay eggs. They don't lay eggs in the water itself but attach them to a solid surface just above the waterline. We place a textured strip of paper inside each ovitrap to provide an attractive place for these mosquitoes to lay eggs.



Although Ovi-traps are sometimes criticized for lack of speed or sensitivity in mosquito detection, they are low-cost and easy to deploy in large numbers and for long periods of time. The District currently has around 150 ovitraps in the field, including about 50 in the recent *Aedes aegypti* detection areas.

Biogents' BG-Sentinel and **BG-Pro traps** combine visual cues this mosquito species finds attractive with scent lures that mimic human body odors. The District additionally adds CO₂ from dry ice to these traps to maximize the catch of host-seeking mosquitoes.



BG-Sentinel traps (far left) are considered by many to be the "gold standard" in adult *Aedes aegypti* detection. The District uses these and the more compact BG-Pro version to rapidly detect adult mosquito activity. To date, the District has collected 33 adult *Aedes aegypti* in traps in 2026. Of these, 30 were captured in either BG-Sentinel or BG-Pro traps!



Agenda Item 7.C. Staff Program Reports

Communications Activities, October 2026 report

- Trustee Goldman and Rachel presented on District services at the Brisbane City Council meeting.
- Rachel attended the Society for Vector Ecology conference, which was held near Yosemite. Talks included mosquito/tick biology and control, community outreach, and many other topics.
- Rachel coordinated with Redwood City PAL (Police Activities League) to visit middle school aftercare programs at Clifford Elementary and the PAL location (both in Redwood City). They learned about mosquitoes and mosquito control through an art activity.

Website Analytics

- In September 2026, there were ~10,314 visits to the website, compared to ~13,787 visits in September 2025. As more people use artificial intelligence for online searches, these numbers will change.
- Top pages for September 2026 included the pages about: mosquito-like insects, the District service request page, yellowjacket treatment removal, the District homepage, rodent identification, millipedes and centipedes, reporting biting mosquitoes, opossums, and fleas.

Invasive *Aedes aegypti* outreach

In early September, staff found invasive *Aedes aegypti* mosquitoes in North Fair Oaks.

The District issued a [press release](#) on September 10. Rachel tabled at Casa Circulo Cultural one evening while parents/guardians were picking up their students from the afterschool program. She spoke with about 100 families.

Public outreach and communications included updating the District website, sending Spanish/English mailers to the neighborhood and nearby areas urging people to report biting mosquitoes, distributing 'mosquito information' kits to residents in/near the area, and coordinating with Operations and Laboratory staff.



Ready to table at Casa Circulo Cultural.



A local business in North Fair Oaks displayed the mailer in their window to help spread the word.



Mailers sent to homes in the area had English on one side and Spanish on the other side.



Agenda Item 7.D. – Information Technology Staff Program Reports

Information Technology in October 2026

New 3D Printer for parts and prototyping

Summary

- ☑ New Bambu Lab H2D 3D printer
- ☑ Conference attendance

3D Printer upgrade and fabrication program

The District recently upgraded its 3D printing capabilities by replacing an aging Ultimaker 2+ printer with a new Bambu Lab H2D system, which was gifted by the Redwood City Library system. The previous printer required frequent maintenance and calibration to operate reliably. While it successfully demonstrated the value of producing custom parts in house, print quality and dimensional consistency often limited the practical use of fabricated components.

Several years ago, the IT Director designed a replacement component for the District's AGO (Autocidal Gravid Ovitrap) traps. Although the design proved effective, the previous printer's capabilities limited production consistency. The new system delivers significantly improved print accuracy and repeatability, making replacement part production more practical and dependable.

The H2D features a larger build area and dual-nozzle printing capabilities, allowing the District to fabricate more complex components using multiple materials. These capabilities provide flexibility for future projects requiring stronger engineering grade materials or specialized support structures.

In addition to expanding fabrication capabilities, 3D printing remains a cost effective solution for producing custom parts. The AGO trap ring and mesh assembly uses approximately 20 grams of material. Based on current material and electricity costs, each unit costs approximately \$0.40 to \$0.50 to produce, significantly reducing replacement costs compared to purchasing specialty components from external vendors.

The H2D also includes laser engraving and cutting capabilities, providing additional opportunities to create custom signage, identification tags, educational materials, and other fabricated items in support of District operations and public outreach efforts.



Agenda Item 7.D. – Information Technology Staff Program Reports

Professional Development MISAC Annual Conference

The IT Director attended the annual Municipal Information Systems Association of California (MISAC) Conference in Monterey. The conference offers valuable opportunities to stay informed on emerging technology trends, cybersecurity threats, regulatory developments, and best practices across local government.

The event also serves as an important networking opportunity to exchange ideas with technology professionals from neighboring agencies, including other mosquito and vector control districts. In addition, the conference provides direct access to vendors and solution providers, allowing the District to discuss current and future technology needs while evaluating products and services that may support District operations.

Agenda Item 8

MANAGER'S REPORT

Legislation

The California Legislature has concluded its 2025-2026 session, and several bills affecting special districts are awaiting action by Governor Newsom before the September 30 deadline. The following items are the most relevant to the San Mateo County Mosquito and Vector Control District.

Human Resources and Artificial Intelligence

Several pending bills could create new administrative and labor relations requirements for public agencies using artificial intelligence and automated decision-making tools.

- AB 2656 would require public employers to provide employee organizations with at least 45 days' notice before implementing generative AI tools that perform work within represented job classifications.
- SB 947 would impose new notice, review, and documentation requirements when automated decision systems are used in disciplinary or employment decisions.
- AB 1883 would place restrictions on the use of workplace surveillance technologies.

While none of these measures directly target mosquito control operations, they could affect the District's future use of AI technologies, employee monitoring tools, and human resources. CSDA is requesting gubernatorial vetoes on these measures because of concerns about administrative burden and operational impacts.

Public Records Act Response Time Clarification

AB 1821 would modify the California Public Records Act by changing the current requirement to respond within 10 calendar days to 10 business days. The bill would also convert the existing 14-day extension period to 14 business days. This change would give agencies more flexibility in responding to increasingly complex records requests and provide additional time to review and redact records when necessary. CSDA supports the measure and is requesting the Governor's signature. Given the District's semi-frequent public records requests, this legislation could provide some administrative relief.

Artificial Intelligence and Brown Act Transparency

SB 1159 would clarify that artificial intelligence systems, autonomous agents, and other non-human entities are not considered members of the public under statutes such as the Brown Act, Public Records Act, and CEQA. While largely clarifying, the bill establishes policy guidance as public agencies continue evaluating AI tools and emerging technologies. CSDA supports the measure. This legislation would help the District by reducing uncertainty about how AI tools interact with public meetings, records, and environmental review requests.

Federal Advocacy Update

CSDA reported continued progress on the federal **Special District Fairness and Accessibility Act (SDFAA)**, the legislation intended to improve special districts' direct access to federal funding opportunities. Representative Mullin, whose district includes much of San Mateo County, recently joined as a co-sponsor. Expanded federal grant eligibility could benefit special districts seeking funding for infrastructure, technology, cybersecurity, and resiliency projects. This legislation continues to receive bipartisan support in Congress.

Finances

CalCLASS Investment Program

The District's investment in CalCLASS continues to deliver solid returns while adhering to a conservative approach centered on safety, liquidity, and capital preservation. Since establishing the account in May 2023, the District has invested \$5.3 million and earned around \$683,467 in interest, bringing the total account balance to approximately \$5.86 million as of September 15, 2026. The investment earned an average yield of 4.66% during this period (**attached as 8.1**).

The program has provided significant financial benefits, generating over \$683,000 in earnings that might have otherwise stayed in a lower-yielding County Treasury. CalCLASS invests in high-quality, short-term securities in compliance with California law and is tailored for public agencies. Staff first learned about the program at the CSDA Annual Conference, which led to further evaluation and the District's participation. This underscores the importance of sending staff and Board members to the CSDA conference annually.

In the News

A growing social media trend known as the "Mosquito Bucket Challenge" or "Mosquito Bucket of Doom" promotes homemade mosquito traps as a simple mosquito control solution. In a recent position paper, the American Mosquito Control Association (AMCA) cautioned that while these devices may help reduce certain container breeding mosquitoes, they are limited in the species

they attract and are not close to a substitute for Integrated Mosquito Control programs run by agencies such as SMCMVCD.

Key concerns include their inability to target many mosquito species, the continued survival of adult mosquitoes, the potential to breed mosquitoes if not maintained properly, and the lack of evidence that a few backyard buckets can provide meaningful mosquito control. The AMCA emphasizes that much like SMCMVCD's program, effective mosquito management requires a combination of surveillance, source reduction, public education, and targeted control measures managed by local experts using scientific evidence.

Stormwater Coordination

Coordination with Stormwater Agencies and Green Infrastructure Projects

The San Mateo County Mosquito and Vector Control District maintains ongoing coordination with San Mateo County municipalities and the San Mateo Countywide Water Pollution Prevention Program (SMCWPPP) regarding the planning, construction, and maintenance of stormwater treatment and green infrastructure facilities. As noted in the SMCWPPP FY 25-26 Annual Report (available upon request), municipalities provide the District with information on newly installed stormwater treatment and hydromodification facilities and regularly coordinate on maintenance issues that could create mosquito breeding.

This coordination occurs because many modern stormwater facilities are designed to capture, infiltrate, detain, or treat water before it enters local waterways. Examples include rain gardens, bioretention systems, detention basins, stormwater treatment vaults, sustainable streets projects, and regional stormwater capture facilities. While these systems provide important water quality, flood control, and climate resilience benefits, they can also create mosquito breeding habitat if not properly maintained.

Participating agencies typically contact the District during project planning, construction, and operation to ensure mosquito prevention measures are incorporated into design and maintenance programs. Early consultation allows the District to identify potential mosquito production concerns before projects are built.

This information directly supports District operations by helping staff identify locations that may require future surveillance, inspection, or mosquito control activities. Advance notice of new facilities enables the District to proactively add these locations to the Mapvision database rather than responding after staff receives a mosquito complaint.

The District's collaboration with municipalities and stormwater agencies is a proactive public health function that helps prevent mosquito production in new and existing stormwater facilities,

supports efficient surveillance and control operations, and ensures mosquito prevention is considered as green infrastructure and climate resilience projects expand throughout San Mateo County.

San Francisco Estuary Institute Annual Report

I recently reviewed the 2025-26 Annual Report from the San Francisco Estuary Institute (SFEI). The report highlights SFEI's work on water quality monitoring, harmful algal blooms, wetland mapping, shoreline resilience, emerging contaminants, and climate adaptation planning. SFEI's science often directly informs major regulatory and government decisions throughout the region, including efforts related to microplastics, stormwater pollutants, nutrient management, and habitat restoration.

It is important for the District to remain familiar with SFEI's work because many of the environmental trends they monitor, including wetland restoration, sea level rise adaptation, stormwater management, water quality, and habitat change, can influence mosquito production, vector habitats, and future regulatory policies affecting local vector control operations. SFEI also serves as a trusted source of scientific data used by regional agencies and decision makers, making its findings valuable for anticipating emerging environmental issues that may affect our service area.

Use this link, [SFEI Annual 091626.pdf](#), if you are interested in reading more about SFEI's work in 2025.



Earthquake Insurance Evaluation

Staff has completed several initial steps in evaluating earthquake insurance, including obtaining preliminary premium estimates, researching historical District decisions, surveying peer agencies, and exploring post-retrofit seismic risk analysis options. After reviewing the information, the Finance Committee determined that additional analysis is needed to provide a

more complete picture of the District's earthquake risk and insurance needs. Staff will therefore proceed with a post-retrofit seismic risk assessment through Partner Engineering & Science, Inc., which will provide updated information on the District's remaining earthquake exposure and help guide future discussions on insurance coverage and risk management.

Holiday Party and Field Day

Staff are currently planning both the Trustee Field Day and the annual Trustee Holiday Dinner, which will be held on December 9. After evaluating several options, staff selected the Basque Cultural Center in South San Francisco as the venue for the holiday dinner. The location offers a large menu, ample meeting and dining space for Board members and staff, and a long-standing reputation as a local gathering place in South San Francisco. Additional details regarding the schedule for both events will be provided as planning progresses.

Custom Account Statement CACCLASS

Entity Name	Investor ID	Report Period	Start Date	End Date	Average Yield for the Period
San Mateo County Mosquito and Vector Control District			5/1/2023	10/7/2026	4.6624%

Account Number	Account Name	Beginning Balance	Contributions	Withdrawals	Income Received During Period	Ending Balance	Income Earned for Period
	General Fund	0.00	5,300,000.00	108,892.00	683,467.87	5,874,575.87	687,938.73
	Total	0.00	5,300,000.00	108,892.00	683,467.87	5,874,575.87	687,938.73

Transactional Activity

<u>General Fund</u>					
Date	Transaction Description	Contributions	Withdrawals	Balance	Confirmation Number
05/01/2023	Beginning Balance			0.00	
05/01/2023	Contribution	200,000.00	0.00		790
09/22/2023	Contribution	922,500.00	0.00		1812
10/20/2023	Contribution	1,577,500.00	0.00		2096
02/23/2024	Contribution	1,000,000.00	0.00		3444
05/14/2024	Contribution	1,000,000.00	0.00		4562
07/23/2024	Contribution	600,000.00	0.00		5502
11/20/2025	Withdrawal	0.00	108,892.00		15034
10/07/2026	Income Dividend Reinvestment	683,467.87	0.00		
10/07/2026	Ending Balance			5,874,575.87	

Agenda Item 9

SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Gov. Code section 54957(b)(1)) Title: District Manager

CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6)

Agency designated representatives: Trustee Michael Yoshida, Ad Hoc Manager Review Committee Chair

Unrepresented Employee: District Manager

- Materials to be provided separately

Agenda Item 11

Resolution M-008-2026 regarding the Sixth Amendment to the District Manager Employment Agreement with Brian Weber

On September 9, 2020, the District appointed Brian Weber as District Manager by approving the District Manager Employment Agreement (“Agreement”). Mr. Weber’s employment as District Manager began October 1, 2020. Following subsequent performance evaluations, the Board approved amendments extending the Agreement’s term and adjusting compensation. The Agreement was most recently amended on October 8, 2025. The Fifth Amendment adjusted the District Manager’s annual salary to \$257,103 effective October 1, 2025, without changing the Agreement’s term, which expires on September 30, 2028.

Pursuant to Section 9 (Performance Evaluation) of that Agreement and applicable District policies, the Board and Ad Hoc Manager Review Committee have conducted the 2026 annual performance evaluation of the District Manager.

In light of that evaluation, the Committee recommended adjusting the District Manager’s compensation for the Board’s consideration and approval in open session. The Committee will distribute a Sixth Amendment to the District Manager Employment Agreement memorializing the change at the meeting for the Board’s consideration and adoption.

RECOMMENDATION

It is recommended that the Board adopt Resolution M-008-2026, approving a Sixth Amendment to the District Manager Employment Agreement with Brian Weber.

Attachments

1. Resolution M-008-2026

RESOLUTION M-008-2026

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN MATEO COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT APPROVING THE SIXTH AMENDMENT TO THE DISTRICT MANAGER EMPLOYMENT AGREEMENT WITH BRIAN WEBER

WHEREAS, on September 9, 2020, the Board of Trustees (“Board”) of the San Mateo County Mosquito and Vector Control District (formerly known as the San Mateo County Mosquito Abatement District) (“District”) approved a District Manager Employment Agreement (“Agreement”) with Brian Weber (“Mr. Weber”); and

WHEREAS, the Agreement establishes the terms of Mr. Weber’s employment; and

WHEREAS, the Board approved the First, Second, Third, Fourth, and Fifth Amendments to the Agreement on March 9, 2022, October 12, 2022, November 8, 2023, November 13, 2024, and October 8, 2025 to extend the term and adjust compensation; and

WHEREAS, the Agreement provides for an annual performance evaluation, which has been conducted by the Ad Hoc Manager Review Committee of the Board and was discussed in closed session with the full Board; and

WHEREAS, based on the feedback provided, the District wishes to amend the Agreement to provide for a salary adjustment.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the Sixth Amendment to the Agreement (“Sixth Amendment”), which is attached hereto as Exhibit A and incorporated by this reference, subject to minor modification by the District Counsel.

BE IT FURTHER RESOLVED that the Board President is hereby authorized to execute the Sixth Amendment for and on behalf of the District and take all actions necessary to effectuate its purpose.

PASSED and ADOPTED on this 14th day of October 2026 by the Board of Trustees of the San Mateo County Mosquito and Vector Control District at a regular meeting by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Rena Gilligan

Secretary

DATE:

APPROVED:

Ron Collins

President

ATTACHMENTS:

Exhibit A: Sixth Amendment to District Manager Employment Agreement with Brian Weber (to be distributed at the meeting.)