

Recording requested by
and return to:

COUNTY OF SAN MATEO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to
Government Code Section 6103

FIRST AMENDMENT TO FACILITY LEASE

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and the

COUNTY OF SAN MATEO

Dated as of June 1, 2021

(Amending the Facility Lease dated as of April 1, 2014)

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FIRST AMENDMENT TO FACILITY LEASE

This First Amendment to Facility Lease, dated as of June 1, 2021, between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo,” (herein called the “Authority”), as lessor, and the COUNTY OF SAN MATEO, a political subdivision organized and validly existing under the Constitution and laws of the State of California (herein called the “County”), as lessee;

W I T N E S S E T H:

WHEREAS, the County has leased certain real property and the improvements thereon to the Authority by a lease, entitled “Site Lease,” dated as of April 1, 2014 and recorded on May 13, 2014 in the office of the County Recorder of the County, under Recorder’s Serial No. 2014-041379, as amended by a First Amendment to Site Lease, dated as of June 1, 2021 (as amended, the “Site Lease”); and

WHEREAS, this First Amendment to Facility Lease is entered into to amend and supplement in certain respects a lease between the Authority and the County entitled “Facility Lease,” dated as of April 1, 2014 and recorded on May 13, 2014 in the office of the County Recorder of the County, State of California, under Recorder’s Serial No. 2014-041380 (herein together with all supplements and amendments thereto, the “Facility Lease”) and to add to the property leased pursuant to the Facility Lease certain additional real property on which County hospital and health facilities known as the “Cordilleras Mental Health Center” will be constructed;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE XI

Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A and 2021 Project

Section 11.01 Effective Date. This First Amendment to Facility Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, State of California, or on July 1, 2021, whichever is earlier, and such date of commencement shall be hereinafter referred to as the “effective date” and on the effective date the additional real property hereby added to the Facility Lease and set forth in Exhibit A hereto, upon which the 2021 Project is to be situated, shall be encumbered by the Facility Lease and references to Demised Premises in the Facility Lease shall include the real property described in Exhibit A.

Section 11.02 Definitions. From and after the effective date of this instrument, the following new definitions shall be added to Section 1.01 of the Facility Lease, or existing definitions replaced in Section 1.01 of the Facility Lease, as applicable, in alphabetical order, to read as follows:

“Capital Projects” means the various public capital improvements and projects, including, but not limited to the acquisition, construction, installation, implementation, equipping and

improvement of the 2014 Project and the 2021 Project, as set forth in Exhibit D hereto, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the 2014 Series A Bonds and the 2021 Series A Bonds, respectively.

“Facilities” shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facility Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or remaining after the exercise of the option to purchase thereof or remaining after release therefrom, or any portion thereof, in accordance with this Facility Lease and the Trust Agreement, subject, however, to any conditions, reservations and easements of record and known to the County.

“First Amendment to Facility Lease” means that First Amendment to Facility Lease between the Authority and the County, dated as of June 1, 2021.

“Project” or **“Projects”** means, individually or collectively, as applicable, the 2014 Project, the 2021 Project or any County facility or facilities substituted for the Project or any portion thereof in accordance with the Facility Lease and the Trust Agreement.

“Series 2021 Bonds” means, collectively, the bonds issued by the Authority under and pursuant to the Trust Agreement and the First Supplemental Trust Agreement, the proceeds of which will be applied to the acquisition, construction and equipping of the 2021 Capital Improvements, the refinancing of a [all or a portion] of the 2014 Series A Bonds of the Authority, payment of costs of issuance of the Series 2021 Bonds and payment of capitalized interest on the Series 2021 Bonds.

“2021 Capital Improvements” means the 2021 Project, including demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvement and appurtenant and related facilities.

“2021 Project” means the acquisition, construction, installation, equipping and improvement of the Cordilleras Mental Health Center, and payment of any costs associated with financing of said project, as set forth in Exhibit D hereto, as the same may be amended in accordance with Section 3.07(b)(6) hereof.

Section 11.03 Amendment to Section 2.01. From and after the effective date of this instrument, Section 2.01 of the Facility Lease is hereby amended to read as follows:

“SECTION 2.01. Lease of Facilities. The Authority hereby leases to the County, and the County hereby leases from the Authority, the Facilities, consisting of the Demised Premises and the 2021 Project to be constructed thereon, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Facility Lease, as defined in Section 2.02 hereof. The County hereby agrees and covenants during the term of this Facility Lease that, except as hereinafter provided, it will use the Facilities for public and County purposes so as to afford the public the benefits contemplated by this Facility Lease.”

Section 11.04 Amendment to Section 2.02. (a) From and after the effective date of this instrument, Section 2.02(a) of the Facility Lease is hereby amended to read as follows:

“(a) The term of this Lease commenced on May 13, 2014, and shall end on the respective dates specified in Exhibit C hereto for the respective Projects, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date, the Base Rental Payments and all other amounts then due hereunder with respect to the Projects related thereto, shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Facility Lease with respect to such Projects shall be extended until the Base Rental Payments attributable to the respective Projects and all other amounts then due hereunder with respect to such Projects, shall be fully paid, except that the term of this Facility Lease with respect to the related Projects shall in no event be extended beyond the maximum extension date for such Projects identified in Exhibit C hereto. If prior to such date, the Base Rental Payments or all the Bonds payable therefrom and all other amounts then due hereunder, shall be fully paid, or provision therefor made, the term of this Facility Lease shall end ten (10) days thereafter or upon written notice by the Authority to the County, whichever is earlier.”

(b) From and after the effective date of this instrument, there shall be added to Section 2.02 of the Facility Lease the following paragraphs, which shall read as follows:

“(e) Occupancy of 2021 Project. It is contemplated that the County will take possession of the 2021 Project on or before [Completion Date]. If the 2021 Project shall be substantially completed before the above date, the County shall take possession of the 2021 Project upon such substantial completion.

(f) Construction Abatement. Prior to the expected occupancy of the 2021 Project, Base Rental Payments related thereto are payable from proceeds of the Bonds on deposit in the

Interest Account under the Trust Agreement (the “Capitalized Interest Period”). If the Authority, for any reason whatsoever, cannot deliver possession of the 2021 Project to the County by the end of the Capitalized Interest Period, this Facility Lease shall not be void or voidable, nor shall the Authority be liable to the County for any loss or damage resulting therefrom; but in that event the rent payable hereunder with respect to the 2021 Project shall be abated proportionately, in the proportion which the construction cost of the part or parts of the 2021 Project not yet delivered to the County bears to the aggregate construction cost of the 2021 Project, with respect to the period between the end of the Capitalized Interest Period and the time when the Authority delivers possession.”

Section 11.05 Amendment to Section 2.03. The amendments in this Section 11.05 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.05. Section 2.03 of the Facility Lease is hereby amended to read as follows:

“SECTION 2.03. Substitution and Release. (a) The County and the Authority may substitute real property as part of the Facilities for purposes of this Facility Lease (“Substitute Property”), but only after the County shall have filed with the Authority and the Trustee, all of the following:

(i) Executed copies of the Facility Lease or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property.

(ii) A Certificate of the County with copies of the Facility Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(iii) Certificate of the County, evidencing that the annual fair rental value of the substitute Facilities will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending June 15 or in any subsequent year ending June 15.

(iv) A Certificate of the County stating that such substitution does not adversely affect the County’s use and occupancy of the Facilities.

(v) A leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the Facilities after such substitution in an amount at least equal to the amount of such insurance provided with respect to the Facilities prior to such substitution; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in such Substitute Property subject only to such exceptions as do not substantially interfere with the County's right to use and occupy such Substitute Property and as will not result in an abatement of Base Rental Payments payable by the County under the Facility Lease, as evidenced by a Certificate of the County.

(vi) An Opinion of Counsel stating that such substitution (i) complies with the Constitution and laws of the State and the terms of the Trust Agreement and this Facility Lease and (ii) will not cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

(b) The County and the Authority may release real property from the Site Lease and this Facility Lease, but only after the County shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Site Lease and this Facility Lease or amendments thereto containing the amended description of the Projects and the Facilities.

(ii) A Certificate of the County with copies of the Site Lease and this Facility Lease, if needed, or amendments thereto containing the amended description of the Facilities stating that such documents shall be duly recorded in the official records of the County Recorder of the County.

(iii) A Certificate of the County that the annual fair rental value of the Facilities after the release of property (which may be based on the construction or acquisition cost, replacement cost or insured value of such facility to the County) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending June 15 and in every subsequent year ending June 15 and which shall be no less than the debt service coming due on the Bonds then Outstanding under the Trust Agreement in the then current year or in each subsequent year.

(iv) A leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the Facilities after such release in an amount at least equal to the aggregate principal amount of the Bonds Outstanding as of the date of such release; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in the Facilities, as revised by such release, subject only to such exceptions as do not substantially interfere with the County's right to use and occupy such Facilities, as revised by such release, and as will not result in an abatement of Base Rental Payments payable by the County under the Facility Lease, as evidenced by a Certificate of the County.

(v) An Opinion of Counsel (as such term is defined in the Trust Agreement) stating that such amendment or modification (i) is permitted by and complies with the Constitution, the laws of the State, and the terms of the Trust Agreement and this Facility Lease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County in accordance with its terms; and (iii) will not cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes."

Section 11.06 Amendment to Section 3.01. From and after the effective date of this instrument, Section 3.01 of the Facility Lease is hereby amended to read as follows:

"SECTION 3.01. Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments comprised of the principal components, and semi-annual interest components in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. The County is hereby directed to pay all such Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. Base Rental Payments shall be calculated on an annual basis, for each Rental Payment Period, and each annual Base Rental shall be divided into two interest components, due on December 15 and June 15, and one principal component, due on June 15, except that the first Rental Payment Period commences on the date of recordation of this Facility Lease and ends on June 15, 2015. Each Base Rental Payment installment shall be payable seven (7) Business Days before its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year

composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities following the completion of the construction of the respective Projects for the twelve month period commencing on the June 16 of the period in which such installments are payable.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on December 15 and June 15 in each year, and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Facility Lease. Upon such extension of this Facility Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the principal and interest components of the Base Rental Payments at amounts not exceeding maximum annual Base Rental payable hereunder but sufficient to pay all unpaid principal and interest on the Bonds and Related Obligations plus interest.

If at any time the Base Rental shall not have been paid by the County when due, for any reason whatsoever, and no other source of funds shall have been available to make the payments of principal and interest on the Bonds, the principal and interest components of the Base Rental shall be recalculated by the County to reflect interest on the unpaid Base Rental Payments as provided in Section 3.04. Upon request by the Authority or the Trustee, a revised Exhibit B to this Facility Lease shall be prepared by the County and supplied to the Authority and the Trustee reflecting such recalculation.

[In connection with the issuance of the Series 2021 Bonds, the County will benefit from a reduction in Base Rental Payments associated with the refinancing from the proceeds of the Series 2021 Bonds and in order to assist such refinancing the County agrees to pay, on the date of issuance of the Series 2021 Bonds, \$[County Escrow Deposit], or such lesser amount needed to fund the escrow for the 2014 Series A Bonds being refunded, from the amount of Base Rental Payments otherwise payable on [DATES] such amount relating to Base Rental allocated to the payment of [interest] on the 2014 Series A Bonds being refinanced.]”

Section 11.07 Amendment to Section 3.03. The amendments in this Section 11.07 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.07. Section 3.03 of the Facility Lease is hereby amended to include the following additional paragraph:

“The County and the Authority hereby acknowledge that the fair rental value of the Facilities may increase over time and that such increase may serve as the basis for amendments to the Base Rental Payment Schedule pursuant to Section 2.03 hereof or Article III of the Trust Agreement in connection with the issuance of Additional Bonds.”

Section 11.08 Amendment to Section 3.07. (a) From and after the effective date of this instrument, Section 3.07(a) of the Facility Lease is hereby amended to read as follows:

“(a) The parties hereto agree that the proceeds of the Bonds will be used to finance the respective Projects and to pay the costs of issuing the Bonds and incidental and related expenses. Any proceeds of the Bonds not needed for the Projects may be used by the County for other capital expenditures as permitted by law.

The County hereby agrees to reimburse itself for the acquisition costs and related expenses of the Projects from the proceeds of the Bonds provided to the County by the Authority in consideration for the leasehold interest in the real property comprising the Facilities.

The Authority agrees to cooperate fully with the County with respect to improvements to the Projects pursuant to such plans or specifications as the County may provide from time to time. The County plans to use its own funds to finance certain improvements to the buildings that comprise the Projects. The construction of such improvements will not interfere with the County’s use and occupancy of the Facilities nor will failure of the County to complete the improvements to the Projects cause an abatement of Base Rental hereunder.”

(b) From and after the effective date of this instrument, there shall be added to Section 3.07 of the Facility Lease the following paragraphs, which shall read as follows:

“(c) Construction of 2021 Project. The Authority hereby agrees to construct the 2021 Project and hereby appoints the County as its agent to construct the 2021 Project. The County for good and valuable consideration hereby accepts such appointment further represents and warrants as follows:

1. The County has heretofore approved the plans and specifications for the 2021 Project and has satisfied all State approval, environmental and construction permit requirements applicable thereto.

2. The County has entered into a construction contract for the construction of the 2021 Project, providing for the

construction of the 2021 Project, which contract identifies a construction completion date of [Construction Completion] (subject to extension) at a cost of \$[Construction Cost] based on a scope of work determined as of [Scope of Work Date].

3. The County has commenced construction of the 2021 Project.

4. The Authority and the County agree that the 2021 Project has been and will be constructed in accordance with the plans and specifications prepared by the Architects and approved by the County and any other authorities having jurisdiction. The Authority and the County further agree that the 2021 Project will be substantially completed in accordance with said plans and specifications within the time limits set forth in said construction contract.

5. The County agrees that upon substantial completion of the 2021 Project it will take possession of and occupy throughout the term of this Facility Lease, subject to substitution pursuant to Section 2.03, the 2021 Project and the Demised Premises under the terms and provisions of this Facility Lease. Such substantial completion shall be evidenced either by a certificate of completion by the County or by the occupancy by the County of the 2021 Project. The time within which the Contractor is required to complete the 2021 Project shall be extended for a period equal to any extensions of time to which the Contractor is entitled under the construction contract and any delays in construction resulting from other causes and events not within the reasonable control of the Contractor or of the Authority.

6. The County may alter the 2021 Project or issue change orders altering the construction contract plans and specifications during the course of construction, if such changes do not materially reduce or diminish the capacity, adaptability or usefulness of the 2021 Project, and the Authority agrees to cooperate fully with the County to cause such change orders to be implemented. Before the Authority shall issue any such change orders which, together with all other change orders, would increase the aggregate cost of construction of the 2021 Project above the moneys available or to be available for such purpose in the Project Fund, or delay completion of the 2014 Project beyond the date set forth above, the County shall arrange with the Authority to pay the increased cost resulting from such change orders, or to pay the Base Rental Payments to become due and payable after the dates set forth in Section 2.02(e), until such time as the 2021 Project shall be scheduled to be completed, and, shall deposit funds sufficient to pay

such increased cost or such Base Rental Payments, as the case may be, with the Trustee.”

Section 11.09 Amendment to Section 5.03. From and after the effective date of this instrument, Section 5.03 of the Facility Lease is hereby amended to read as follows:

“SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. [During the period of construction of the 2014 Project and 2021 Project, respectively, casualty insurance for the construction amount shall be provided by the Construction Manager or by a Contractor under a construction contract referred to in Section 3.07 hereof or in the corresponding section of any amendment hereto. Commencing with its use and occupancy of the 2021 Project,] the County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof in an amount at least equal to the maximum Base Rental Payments coming due and payable during any two consecutive Fiscal Years during the remaining term of this Facility Lease, except that such insurance may be subject to a deductible clause of not to exceed five hundred thousand dollars (\$500,000) or a comparable amount adjusted for inflation. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Facility Lease attributable to such structure for a period of time during which the payment of rental under this Facility Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement. The County shall not be entitled to self-insure for rental interruption insurance.”

Section 11.10 Amendment to Section 5.08. From and after the effective date of this instrument, Section 5.08 of the Facility Lease is hereby amended to read as follows:

[“SECTION 5.08. Performance Bonds for Construction. The County, as agent of the Authority, shall maintain performance, labor and material payment bonds for each construction contract with respect to the 2014 Project and the 2021 Project, respectively, in the full amount of each contract naming the County as obligee and the contractor as principal.”]

Section 11.11 Amendment to Section 7.02. (a) The amendments in this Section 11.11 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no

longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.11. Section 7.02(b) of the Facility Lease is hereby amended to read as follows:

“(b) If all requirements of Section 10.01 of the Trust Agreement have been satisfied, the County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided, if required by the Trust Agreement, that the County furnishes the Trustee with an Opinion of Counsel that such deposit will not cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.”

(b) From and after the effective date of this instrument, there shall be added to Section 7.02(d) of the Facility Lease is hereby amended to read as follows:

“(d) When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal, premium, if any, and interest on all or a portion of the Bonds to the due date of said Bonds or date when the County may exercise its option to purchase the Facilities, as the case may be; (2) all requirements of Section 10.01 of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid (if necessary), then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied with respect to all or a portion of the Facilities (except for the right of the Authority and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental

Payments or option price) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee."

Section 11.12 Amendment to Section 8.05. From and after the effective date of this instrument, Section 8.05 of the Facility Lease is hereby amended to read as follows:

"Assignment and Subleasing. Neither this Facility Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Tax-Exempt Bonds. No such mortgage, pledge, assignment, lease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder."

Section 11.13 Amendment to Section 8.07. From and after the effective date of this instrument, Section 8.07 of the Facility Lease is hereby amended to read as follows:

"Tax Covenants. The Authority and the County hereby covenant that they shall not take any action or inaction, or fail to take any action, or permit any action to be taken on their behalf or cause or permit any circumstances within their control to arise or continue, if such action or inaction would cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. This covenant shall survive the payment in full of the Tax-Exempt Bonds.

If at any time the Authority or the County is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the

Trustee under this Trust Agreement, the Authority or the County shall so instruct the Trustee in a Request of the Authority or the County accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be directed in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Authority or the County shall receive an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Authority and the County may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

In furtherance of the covenants of the County and the Authority set forth above, the County will comply with the Tax Certificate and will instruct the Trustee in writing as necessary to comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority and the Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions.”

Section 11.14 Use of Proceeds of the Series 2021 Bonds. The parties hereto agree that the proceeds of the Series 2021 Bonds will be used to finance the 2021 Capital Improvements, to refund a portion of the 2014 Series A Bonds of the Authority to pay capitalized interest on the Series 2021 Bonds and to pay costs of issuance related thereto. Proceeds of the Series 2021 Bonds may also be used to pay costs related thereto as specified in the First Supplemental Trust Agreement. For the purposes of the 2021 Capital Improvements, the Authority hereby appoints the County as its agent to design and construct such 2021 Capital Improvements and the County agrees to such appointment and agrees to cause the substantial completion of the 2021 Project by [Completion Date]. The County covenants and agrees to proceed to design and construct the 2021 Capital Improvements from proceeds of the Series 2021 Bonds, with due diligence until completion. The County may amend the 2021 Project and/or the 2021 Capital Improvements by delivering a certificate to the Authority and the County containing the amendment and certifying that such amendment does not adversely affect the exclusion from gross income of interest on the Bonds or the substantial completion schedule for the 2021 Project; provided that the County may extend the completion schedule of the 2021 Project if additional funds are provided for capitalized interest until the extended Completion Date.

Section 11.15 Increase to Base Rental Payments; Prepayment. From and after the effective date of this instrument, Exhibit B attached to the Facility Lease, the Base Rental Payments, shall be amended and restated as set forth in Exhibit B attached hereto. The Base Rental Payments set forth in Exhibit B payable by the County hereunder in each Fiscal Year are at least

equal to Debt Service, including Debt Service on the Series 2021 Bonds, in each Fiscal Year. The County may prepay Base Rental and cause a corresponding redemption of Bonds at the times and in the manner contemplated by the Trust Agreement.

Section 11.16 Title Insurance. The County shall obtain upon the execution and delivery of this First Amendment to Facility Lease policies of title insurance on the additional property being added to the Demised Premises in an amount approximating the construction cost of the 2021 Project issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance shall be delivered to the Trustee as a prepayment of rent pursuant to Section 7.02 of the Facility Lease and shall be applied by the Trustee to the redemption of Bonds pursuant to Section 4.01 and Section 14.01 of the Trust Agreement.

Section 11.17 Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least 25% aggregate principal amount of Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 11.08.

Section 11.18 Trust Agreement. The parties hereto acknowledge that the County is a third-party beneficiary to the Trust Agreement, and the Authority hereby agrees that during the term of the Facility Lease and provided the County is not in default hereunder, it will not amend the Trust Agreement in any manner materially adverse to the interests of the County without the Consent of the County.

Section 11.19 Facility Lease in Full Force and Effect. Except as in this First Amendment to Facility Lease expressly provided, the Facility Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby.

Section 11.20 Execution in Counterparts. This First Amendment to Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same First Amendment to Facility Lease. It is also agreed that separate counterparts of this First Amendment to Facility Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

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

SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY,
as Lessor

By _____
Paul T. Scannell
President

COUNTY OF SAN MATEO,
as Lessee

By _____
Roberto Manchia
Budget Director

EXHIBIT A

Addition to Demised Premises

2021 Project

(Cordilleras Mental Health Center, San Mateo County, California)

All that certain real property situated in the County of San Mateo, State of California, described as follows.

[To come]

EXHIBIT B

Base Rental Payment Schedule

[To come]

EXHIBIT C

Lease Terms of Projects

<u>Projects</u>	<u>Term</u>	<u>Maximum Extension</u>
2014 Project	June 15, 2037	June 15, 2047
2021 Project	[2021 Term]	[2021 Extended Term]

EXHIBIT D

Capital Projects Description

“Capital Projects” means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of certain projects of the County, specifically the 2014 Project and 2021 Project described as follows:

2014 Project. The Maple Street Correctional Center, upon completion of construction, will consist of a 275,000 square foot three-story housing unit, including 60,000 square feet of unfinished space for future expansion (the “Shell”), an administrative wing, and a surface parking lot that will accommodate 185 vehicles. The housing unit is designed to accommodate a total of 576 beds for both men and women, with the option to develop the Shell to house 256 additional inmates in the future. The first floor of the two-story support wing will include inmate processing, a natural light-filled visitor lobby, video visitation, kitchen, laundry and loading docks. The second floor of the two-story support wing will include jail administration, transitional housing, a medical clinic, locker rooms and staff dining with an outdoor dining area. The transitional housing area will include 88 beds for inmates participating in such programs. The 2014 Project also includes the development of the site, demolition of existing structures and soil remediation.

2021 Project. [Cordilleras Mental Health Center project description to come.]

[INSERT NOTARY FORMS]

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance dated [Closing Date] is entered into by the County of San Mateo, a body corporate and politic and a political subdivision of the State of California (the "County").

WITNESSETH

In consideration of the covenants herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County does hereby agree as follows:

The interest in real property leased by the San Mateo County Joint Powers Financing Authority to the County, under the First Amendment to Facility Lease, dated as of June 1, 2021, is hereby accepted by order of the undersigned officer on behalf of the County pursuant to authority conferred by Resolution No. [_____] of the County adopted on May 18, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

IN WITNESS WHEREOF, the County has executed this Acceptance as of the date first written above.

COUNTY OF SAN MATEO

By _____
Roberto Manchia
Budget Director

CONSENT OF TRUSTEE

The undersigned, as trustee under the Trust Agreement dated as of April 1, 2014, as amended, between the San Mateo County Joint Powers Financing Authority (the “Authority”) and the trustee hereby acknowledges and consents to the execution and delivery of the First Amendment to Facility Lease dated as of June 1, 2021, between the Authority and the County of San Mateo (the “County”) relating to the Facility Lease dated as of April 1, 2014, between the Authority and the County.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By

Authorized Officer