

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION A) APPROVING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$215 MILLION AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (CAPITAL PROJECTS), 2014 SERIES A; B) AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A SITE LEASE, A FACILITY LEASE, A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; C) AUTHORIZING A LEASE FINANCING WITH THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY; AND D) APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, the County of San Mateo (the "County") and the Community Development Commission for the County of San Mateo (the "Commission") have heretofore entered into a Joint Exercise of Powers Agreement, dated as of May 15, 1993 (as amended from time to time, the "Joint Powers Agreement"), which Joint Powers Agreement creates and establishes the San Mateo County Joint Powers Financing Authority (the "Authority");

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Law") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits;

WHEREAS, the County has requested, and it furthers the public purpose for, the Authority to assist the County in the financing of public capital improvements within the County, including the acquisition, construction and equipping of the Maple Street Correctional Center in Redwood City, California (the "2014 Project");

WHEREAS, the County previously issued \$16,300,000 in County of San Mateo, California 2013-2014 Notes (the "Notes") that mature on May 31, 2014 in order to reimburse the County for the purchase price of the site for the 2014 Project;

WHEREAS, in accordance with the JPA Law this Board of Supervisors (the "Board") on the date hereof held a public hearing on the proposed financing following publication of the notice of the public hearing at least five days prior thereto in a newspaper of general circulation in the County and the Board hereby approves the financing and finds that it will result in significant public benefits, including demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs;

WHEREAS, the County desires to approve the sale and issuance by the Authority of not to exceed \$215,000,000 in aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the "Bonds"), pursuant to a trust agreement, to be dated as of April 1, 2014 (the "Trust Agreement"), between the

Authority and U.S. Bank National Association, for the purpose of financing certain public capital improvements, including the 2014 Project, within the County and to refund the Notes;

WHEREAS, a portion of the proceeds of the Bonds will be used to refund the Notes;

WHEREAS, there have been presented to this meeting the proposed forms of:

1. a Trust Agreement,
2. a site lease, dated as of April 1, 2014 (the "Site Lease") by and between the County and the Authority,
3. a facilities lease, dated as of April 1, 2014 (the "Facilities Lease") by and between the County and the Authority,
4. a continuing disclosure agreement, to be dated the date of issuance of the Bonds (the "Continuing Disclosure Agreement"), by and between the County and the Trustee,
5. a bond purchase contract, to be dated the date of sale of the Bonds (the "Bond Purchase Contract"), among the Authority, the County and Citigroup Global Markets, Inc., as representative of itself, as well as Raymond James & Associates, Inc., Barclays Capital Inc. and Siebert Brandford Shank & Co., LLC or such other underwriters as shall be specified therein when executed (the "Underwriters"), and
6. an official statement relating to the Bonds (the "Official Statement");

WHEREAS, California Financial Services Inc. is serving as financial advisor, Orrick, Herrington & Sutcliffe LLP is serving as bond counsel, and Sidley Austin LLP is serving as disclosure counsel to the County and the Authority in connection with the financing;

WHEREAS, this Board has been presented with the form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing;

WHEREAS, the Authority has full legal right, power and authority under the laws of the State of California to enter into the transactions hereinafter authorized; and

WHEREAS, the Authority expects to finance the 2014 Project on a tax-exempt basis;

NOW THEREFORE, IT IS HEREBY DETERMINED AND RESOLVED by the Board of Supervisors of the County of San Mateo that:

Section 1. The foregoing recitals are true and correct and this Board hereby so finds and determines.

Section 2. The Board hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$215,000,000, for the financing of the 2014 Project.

Section 3. The Authorized Officers may, if it is determined to be necessary or desirable, assist the Authority in obtaining bond insurance for the Bonds and a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds.

Section 4. The proposed form of Site Lease on file with the Clerk of the Board of Supervisors is hereby approved. The County Manager, or any Deputy County Manager, the Budget Director or any designee of any such official (the "Authorized Officers") are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver the Site Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term thereof shall not exceed forty (40) years.

Section 5. The proposed form of Facility Lease on file with the Clerk of the Board of Supervisors is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver the Facility Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum annual amount of base rental payable thereunder by the County shall not exceed \$30,000,000.

Section 6. The form of Trust Agreement on file with the Clerk is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to approve the delivery of the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority. Among the changes authorized to be made to the Trust Agreement are such changes as are necessary in the event an Authorized Officer, upon consultation with the Financial Advisor, determines it is desirable to purchase a municipal bond insurance policy and/or a surety bond for the Bonds.

Section 7. The proposed form of Continuing Disclosure Agreement on file with the Clerk of the Board of Supervisors is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver the Continuing Disclosure Agreement in

substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The proposed form of Bond Purchase Contract on file with the Clerk of the Board of Supervisors is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to accept the offer of the Underwriters to purchase the Bonds as reflected in the Bond Purchase Contract; and to execute and deliver the Bond Purchase Contract in substantially the form on file with the Clerk of the Board of Supervisors, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract; provided, that the interest rate on the Bonds shall not exceed a true interest cost of five and one-half percent (5.50%) per annum, the term of the Bonds shall not exceed thirty-three (33) years, and the underwriting discount (excluding any original issue discount) shall not exceed six tenths of one percent (0.60%) of the principal amount of Bonds sold.

Section 9. The proposed form of Official Statement on file with the Clerk of the Board of Supervisors is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver the Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds (either in printed form or by posting electronically) is hereby approved and the Authorized Officers are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 10. The Authorized Officers are hereby authorized on behalf of the County to enter into or to instruct the Authority or the Trustee to enter into one or more investment agreements, forward delivery agreements or other investment products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as such officer of the County shall deem appropriate, which investments are hereby authorized to have terms of up to the final maturity of the Bonds. Pursuant to Section 5922 of the California Government Code, the Board of Supervisors hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 11. The officers and Supervisors of the County are hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation accepting any deed of property or executing any documents necessary to clarify title or any of the foregoing which may be necessary or desirable in connection with administering the documents or any default under or amendment of such documents or additional confirmations, settlements or revisions, or approval of additional trustees, paying agents or other entities facilitating the transaction may be taken or given by the Authorized Officers without further authorization by this Board, and the Authorized Officers are each hereby authorized and directed to give such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this Resolution and the transactions contemplated hereby.

The documents and Bonds authorized herein may be dated such date and the Bonds may be assigned such different Series designations, as may be appropriate to indicate when the Bonds are actually sold or delivered or the nature of the Bonds.

Section 12. This Resolution shall take effect from and after its adoption.

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Supervisors of the County of San Mateo, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of said County duly and regularly and legally held at the regular meeting place thereof on _____ of which meeting all of the members of the Board of Supervisors of said County had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

I further certify that an agenda of said meeting was posted at least 72 hours prior to the date of the meeting in a place in the City of Redwood City, California, freely accessible to members of the public and that a short description of said resolution appeared on said agenda.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____

Clerk of the Board of Supervisors
County of San Mateo

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