

TRUST AGREEMENT

by and between the

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION  
as Trustee

Dated as of April 1, 2014

[\$215,000,000]

San Mateo County Joint Powers Financing Authority  
Lease Revenue Bonds (Capital Projects),

2014 Series A  
(Maple Street Correctional Center)

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THIS TRUST AGREEMENT dated as of April 1, 2014 (the "Trust Agreement"), by and between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority duly organized and existing pursuant to a Joint Exercise of Powers Agreement by and between the County of San Mateo and the Community Development Commission of the County of San Mateo, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the "Act");

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the County of San Mateo (the "County") following a public hearing duly noticed and held, has determined that the consummation of the transactions contemplated in the Site Lease (as hereinafter defined), the Facilities Lease (as hereinafter defined) and this Trust Agreement will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to the Facilities Lease and the aforementioned Article 4 of the Act to cause the lease of the Facilities (as hereinafter defined), and to cause the financing of the 2014 Project (as hereinafter defined) through the issuance of its bonds;

WHEREAS, the County has determined to finance the acquisition and construction of the Maple Street Correctional Center (the "2014 Project") as set forth in Exhibit D to the Facilities Lease (as the same may be changed from time to time, the "Capital Projects");

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

WHEREAS, the County has commenced construction and plans to reimburse itself for advanced costs;

WHEREAS, the Authority intends to assist the County in financing the Capital Projects by issuing the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the "2014 Series A Bonds");

WHEREAS, a portion of the proceeds of the 2014 Series A Bonds, by the payment of site lease rental to the County, will be used by the County to refund the County Notes;

WHEREAS, the County will lease to the Authority certain real property of the County on which the 2014 Project is to be constructed (as further defined herein, the “Demised Premises”) pursuant to the Site Lease;

WHEREAS, the Authority will construct the 2014 Project on the Demised Premises (collectively, the “Facilities”) with the proceeds of the 2014 Series A Bonds and make deposits to the Series 2014 Reserve Account, the Interest Account and the Project Fund as provided herein;

WHEREAS, the County will lease the Facilities from the Authority pursuant to the terms of the Facilities Lease;

WHEREAS, the Authority has authorized the issuance of the 2014 Series A Bonds, in an aggregate principal amount of \_\_\_\_\_ dollars (\$[\_\_\_\_]) to assist in financing a portion of the Capital Projects;

WHEREAS, under the Facilities Lease, the County will be obligated to make base rental payments to the Authority for the lease of the Facilities thereunder and the Authority will pledge such base rental payments for payment of the Bonds;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the County, and to help the financing of the Capital Projects, from which significant public benefit will be achieved, the 2014 Series A Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the Bonds (as hereinafter defined), to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds

are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facilities Lease.

**“Accreted Value”** means, with respect to Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery at the interest rate thereof on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, as determined in accordance with the Supplemental Trust Agreement authorizing such Bonds.

**“Act”** means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

**“Additional Bonds”** means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III.

**“Authority”** means the San Mateo County Joint Powers Financing Authority created pursuant to the Act and its successors and assigns in accordance herewith.

**“Authorized Denominations”** means, with respect to the 2014 Series A Bonds, denominations of \$5,000 or any integral multiple thereof.

**“Bond Counsel”** means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

**“Bond Year”** means the twelve (12)-month period ending on \_\_\_\_\_ 1 of each year to which reference is made.

**“Bondholder or “Owner”** means any person who shall be the registered owner of any Outstanding Bond.

**“Bonds”** means the 2014 Series A Bonds and all Additional Bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01.

**“Business Day”** means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California is authorized to remain closed, or a day on which the Federal Reserve system is closed.

**“Capital Appreciation Bonds”** means Bonds the interest on which is compounded semiannually on each Interest Payment Date and paid at maturity as specified in the accreted value table for such Bonds in an exhibit to a Supplemental Trust Agreement.

**“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, as described in the Facilities Lease, 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.

**“Certificate of the Authority”** means an instrument in writing signed by any of the following officials of the Authority: President, Secretary, Assistant Secretary, or Treasurer of the Authority, or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

**“Certificate of the County”** means an instrument in writing signed by any of the following County officials: President of the Board of Supervisors of the County, County Manager of the County, Deputy County Manager of the County, Assistant County Manager of the County or Budget Director of the County, or by any such officials’ duly appointed designee, or by any other officer of the County duly authorized by the Board of Supervisors of the County for that purpose.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Continuing Disclosure Agreement”** means that certain Continuing Disclosure Agreement executed by the County and the Trustee dated the date of issuance and delivery of the 2014 Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the County or the Authority and related to the authorization, execution and delivery of the Facilities Lease, the Site Lease, this Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title insurance fees, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.



**“Costs of Issuance Fund”** means the fund by that name established pursuant to Section 3.01.

**“County”** means the County of San Mateo, a County organized and validly existing under the Constitution and general laws of the State.

**“County Notes”** means the \$16,300,000 aggregate principal amount of County of San Mateo, California, 2013-2014 Notes issued to reimburse the County for a portion of the purchase price of the site for the 2014 Project.

**“Current Interest Bonds”** means Bonds the interest on which is payable on each Interest Payment Date to the maturity date for each such Bond.

**“Debt Service”** means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in Government Securities which mature no later than the related Interest Payment Date), (2) the principal amount of all Outstanding Serial Bonds maturing during such Fiscal Year or other period, and (3) the principal amount of all Outstanding Term Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period; provided, that the foregoing shall be subject to adjustment and recalculation as follows.

(a) with respect to Capital Appreciation Bonds, the Accreted Value payment shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled redemption or payment date of such Capital Appreciation Bond; and

(b) with respect to Variable Rate Bonds, the interest payments shall be calculated at a rate equal to 150% of the highest rate borne by such Bonds in the last 12 months, but not to exceed twelve percent (12%) per annum.

**“Denominational Amount”** means, with respect to Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

**“Depository”** means DTC or another recognized securities depository selected by the Authority which maintains a book-entry system for the Bonds.

**“Dissemination Agent”** means the County or any successor appointed under the Continuing Disclosure Agreement.

**“DTC”** means The Depository Trust Company, New York, New York.

**“Event of Default”** shall have the meaning specified in Section 7.01.

**“Facilities”** shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facilities Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or any portion thereof, in accordance with the Facilities Lease and this Trust Agreement.

**“Facilities Lease”** means that certain lease, entitled “Facilities Lease”, by and between the County and the Authority, dated as of April 1, 2014, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of San Mateo on \_\_\_\_\_, 2014 as document No. \_\_\_\_\_, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

**“Fiscal Year”** means the twelve (12)-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

**“Fitch”** means Fitch Ratings, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other Rating Agency.

**“Fixed Rate Bonds”** means Bonds of any Series which bear interest at a fixed interest rate from the date of such Bonds until the maturity or redemption date thereof.

**“Government Securities”** means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (5) pre-refunded municipal bonds rated by Moody’s and by S&P at the level that U.S. obligations are rated, or if not rated by Moody’s, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or other pre-refunded municipal obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

**“Independent Certified Public Accountant”** means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or another state of the United States of America or a comparable successor, appointed and paid by the Authority, and who, or each of whom –

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the County;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the County; and

(3) is not connected with the Authority or the County as a member, officer or employee of the Authority or the County, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the County.

**“Interest Payment Date”** means, with respect to the 2014 Series A Bonds, \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 1, 2014.

**“Interest Payment Period”** means the period from and including each Interest Payment Date (or, for the first Interest Payment Period, the date of the Bonds) to and including the day immediately preceding the next succeeding Interest Payment Date.

**“Moody’s”** means Moody’s Investors Service a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other Rating Agency.

**“Opinion of Counsel”** means a written opinion of Bond Counsel.

**“Outstanding,”** when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds except

(1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Bonds paid or deemed to have been paid within the meaning of Section 10.01;

(3) Bonds deemed tendered but not yet presented for purchase; and

(4) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

**“Permitted Encumbrances”** means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facilities Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facilities Lease in the office of the County Recorder of the County of San Mateo and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time and the Facilities Lease, as it may be amended from time to time; (4) this Trust Agreement, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not

filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the ownership interests of the Authority or use of the Facilities by the County; and (7) subleases and assignments of the County which will not adversely affect the exclusion from gross income of interest on the Bonds.

**“Permitted Investments”** means any of the following:

(1) Government Securities;

(2) any obligations which are then legal investments for moneys of the County under the laws of the State of California and comply with the County’s investment policy; provided that such investments shall be rated in the highest short-term or one of the three highest long-term rating categories by Moody’s and S&P;

(3) money markets or mutual funds which are rated by S&P “AAAm-G” or “AAAm” or higher and, if rated by Moody’s, are rated “Aaa” or higher, which funds may include funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(4) the County of San Mateo Investment Pool; and

(5) the Local Agency Investment Fund of the State of California. The Trustee may conclusively rely on the written instructions of the Authority and the County that such investment is a Permitted Investment.

**“Person”** means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Principal Office”** refers to the office of the Trustee noted in Section 11.10 and such other offices as the Trustee may designate from time to time.

**“Principal Payment Date”** means any date on which principal of the Bonds is required to be paid (whether by reason of maturity, redemption or acceleration).

**“Project”** means the Capital Projects and any additional facilities or improvements financed with proceeds of Additional Bonds.

**“Project Fund”** means the fund by that name established pursuant to Section 3.02.

**“Rating Agency”** means any nationally recognized credit rating service selected and designated by the County and providing a rating on the Bonds at the request of the County, and shall initially mean and refer to [Moody’s & S&P].

**“Rating Category”** means one of the general long-term (or short-term, if so specifically provided) rating categories of either Moody’s and S&P, without regard to any refinement or gradation of such rating category by a numerical modifier (unless a short-term rating) or otherwise.

**“Record Date”** means the close of business on the fifteenth (15th) calendar day (whether or not a Business Day) of the month preceding any Interest Payment Date.

**“Redemption Date”** shall mean the date fixed for redemption of any Bonds.

**“Redemption Price”** means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Trust Agreement.

**“Representation Letter”** means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

**“Series 2014 Reserve Account”** means the fund of that name established pursuant to Section 5.03(d).

**“Series 2014 Reserve Account Requirement”** means, as of any date of calculation (calculated on a Bond Year basis), an amount equal to 50% of the lesser of (i) maximum annual debt service on all Bonds Outstanding; (ii) 125% of average annual debt service on all Bonds Outstanding; or (iii) 10% of the initial principal amount of each Series of the Bonds then Outstanding.

**“Responsible Officer”** means any officer of the Trustee assigned to administer its duties under this Trust Agreement.

**“Revenue Fund”** means the fund by that name created pursuant to Section 5.02 hereof.

**“Revenues”** means (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facilities Lease (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to this Trust Agreement or the Facilities Lease.

**“Serial Bonds”** means Bonds for which no sinking fund payments are provided.

**“Series,”** whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

**“S&P”** means Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business, which is a subsidiary of The McGraw-Hill Companies, Inc., a

corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other Rating Agency.

“**Site Lease**” means that certain lease, entitled “Site Lease,” by and between the County and the Authority, dated as of April 1, 2014, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County of San Mateo on \_\_\_\_\_, 2014 as document No. \_\_\_\_\_, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

“**State**” means the State of California.

“**Supplemental Trust Agreement**” means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions hereof.

“**Tax Certificate**” means the Tax Certificate delivered by the Authority and the County at the time of the issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

“**Term Bonds**” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“**Trust Agreement**” means this Trust Agreement, dated as of April 1, 2014, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

“**Trustee**” means U.S. Bank National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

“**Variable Rate Bonds**” means Bonds of any Series which bear interest at a variable interest rate.

“**Written Request of the Authority**” means an instrument in writing signed by or on behalf of the Authority by its President, Secretary, Assistant Secretary, or Treasurer of the Authority, or a designee of any such officer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

“**Written Request of the County**” means an instrument in writing signed by the President of the Board of Supervisors of the County, the County Manager, the Deputy County Manager, the Assistant County Manager, the Budget Director or the Treasurer-Tax Collector of

the County, or by any other officer of the County duly authorized by the Board of Supervisors of the County in writing to the Trustee for that purpose.

**“2014 Project”** means the acquisition, construction, installation, implementation, equipping and improvement of [description of Maple Street Correctional Center], and payment of any costs associated with financing of said projects, as set forth in Exhibit D to the Facilities Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facilities Lease, by the County by filing a Certificate of the County with the Trustee and the Authority.

**“2014 Series A Bonds”** means the Bonds of such Series issued pursuant to Section 2.02(a) hereof.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

SECTION 1.03 Interpretation. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean or include the neuter, masculine or feminine gender, as appropriate. 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 shall not affect the meaning, construction or effect hereof.

## ARTICLE II

### THE BONDS

SECTION 2.01 Authorization of Bonds; 2014 Series A Bonds.

(a) Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited but is subject to the provisions of Article III. The Bonds are designated generally as “San Mateo County Joint Powers Financing Authority Lease Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be

issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained.

(b) An initial Series of Bonds is hereby created and designated “San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center).” The aggregate principal amount of 2014 Series A Bonds which may be issued and Outstanding under this Trust Agreement shall not exceed [two hundred fifteen million] dollars (\$[215,000,000]).

(c) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2014 Series A Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the 2014 Series A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the 2014 Series A Bonds in the form and manner provided herein for the purpose of providing funds to finance the Capital Projects, and that the 2014 Series A Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(d) The validity of the issuance of the 2014 Series A Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of the Capital Projects or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the 2014 Series A Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all 2014 Series A Bonds shall be incontestable from and after their issuance. The 2014 Series A Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive 2014 Series A Bonds (or any temporary 2014 Series A Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

## SECTION 2.02 [Terms of the 2014 Series A Bonds.](#)

(a) The 2014 Series A Bonds shall be issued in the aggregate principal amount of [two hundred fifteen million] dollars (\$[215,000,000]). The 2014 Series A Bonds, shall be issued as Fixed Rate Bonds, shall be dated the date of issuance thereof, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of 2014 Series A Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Article IV hereof:



San Mateo County Joint Powers Financing Authority  
 Lease Revenue Bonds (Capital Projects),  
 2014 Series A  
 (Maple Street Correctional Center)

Maturity Date		
(_____ 1)	<u>Principal Amount</u>	<u>Interest Rate</u>

The 2014 Series A Bonds shall bear interest at the rates set forth above, payable commencing December 15, 2014 and semiannually thereafter on June 15 and December 15 in each year. The 2014 Series A Bonds shall pay interest to the Owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is after the Record Date for an Interest Payment Date, in which event they shall pay interest from such Interest Payment Date, or unless such date of authentication is on or prior to the Record Date for the first Interest Payment Date, in which event they shall pay interest from their dated date. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) Payment of interest on the 2014 Series A Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.07; provided, however, that interest on any Series of Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Owner of at least \$1,000,000 in aggregate principal amount of such Series of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file as of the applicable Record Date preceding the Interest Payment Date.

(c) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of

such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Bond, as appropriate, from moneys held by the Trustee for such payment.

(d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.

(e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by the CUSIP number of the related Bonds.

SECTION 2.03 [Form of 2014 Series A Bonds](#). The 2014 Series A Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form set forth in [Exhibit A](#) attached hereto and by this reference is herein incorporated.

SECTION 2.04 [Execution of Bonds](#). The President [or the \_\_\_\_\_] of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary or Assistant Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the 2014 Series A Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.05 [Transfer and Payment of Bonds](#). (a) Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.07 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.06      [Exchange of Bonds](#). Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity in Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.04 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.07      [Bond Registration Books](#). The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.08      [Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds](#). If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.08 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same Series secured by this Trust

Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

SECTION 2.09 [Special Covenants as to Book-Entry Only System for 2014 Series A Bonds.](#)

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.09, all of the 2014 Series A Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any 2014 Series A Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such 2014 Series A Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The 2014 Series A Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such 2014 Series A Bonds, representing the aggregate principal amount of the 2014 Series A Bonds of such maturity. Upon initial issuance, the ownership of all such 2014 Series A Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the 2014 Series A Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such 2014 Series A Bonds, selecting the 2014 Series A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of 2014 Series A Bonds, obtaining any consent or other action to be taken by Bondholders of the 2014 Series A Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.09, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or

indirectly own DTC), any person claiming a beneficial ownership interest in the 2014 Series A Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the 2014 Series A Bonds, (iii) any notice which is permitted or required to be given to Bondholders of 2014 Series A Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the 2014 Series A Bonds, or (v) any consent given or other action taken by DTC as Bondholder of 2014 Series A Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the 2014 Series A Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the 2014 Series A Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the 2014 Series A Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.09.

(c) In the event that the Authority determines that the 2014 Series A Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the 2014 Series A Bonds will be transferable in accordance with subsection (e) of this Section 2.09. DTC may determine to discontinue providing its services with respect to the 2014 Series A Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the 2014 Series A Bonds will be transferable in accordance with subsection (e) of this Section 2.09. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.09 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2014 Series A Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the 2014 Series A Bonds then Outstanding. In such event, the 2014 Series A Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.09, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all 2014 Series A Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such 2014 Series A Bond and all notices with respect to each such 2014 Series A Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

(e) In the event that any transfer or exchange of 2014 Series A Bonds is authorized under subsection (b) or (c) of this Section 2.09, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the 2014 Series A Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.05 and 2.06. In the event 2014 Series A Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the 2014 Series A Bonds, another securities depository as holder of all the 2014 Series A Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.05 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of the 2014 Series A Bonds and the method of payment of principal of, premium, if any, and interest on the 2014 Series A Bonds.

### ARTICLE III

#### ISSUANCE OF 2014 SERIES A BONDS

SECTION 3.01 Procedure for the Issuance of 2014 Series A Bonds. At any time after the sale of the 2014 Series A Bonds in accordance with the Act, the Authority shall execute the 2014 Series A Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the 2014 Series A Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the 2014 Series A Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, transfer or deposit the proceeds received from such sale to the following respective parties or to the following respective accounts, in the following order of priority:

(i) deposit the amount of \$ \_\_\_\_\_ into the Costs of Issuance Fund, which fund is hereby created and which fund the Trustee hereby covenants and agrees to maintain. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Bonds upon receipt of a Written Request of the Authority, in substantially the form attached hereto as Exhibit C, filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. On \_\_\_\_\_, or upon the earlier Written Request of the Authority, any remaining balance in the Costs of Issuance Fund shall be transferred to the 2014 Series A Project Account within the Project Fund and the Costs of Issuance Fund shall be closed;

(ii) deposit the amount of \$ \_\_\_\_\_ into the 2014 Series A Account of the Interest Account, which account is hereby created and which account the Trustee hereby covenants and agrees to maintain. Such amount shall be used to pay interest on the Bonds until depleted;

(iii) deposit the amount of \$ \_\_\_\_\_ into the Series 2014 Reserve Account;

(iv) transfer the amount of \$ \_\_\_\_\_ as rental under the Site Lease to the Treasurer-Tax Collector of the County, as paying agent for the County Notes, for repayment of the County Notes; and

(v) deposit the amount of \$ \_\_\_\_\_ into the 2014 Series A Project Account within the Project Fund.

SECTION 3.02 [Project Fund](#). The Trustee hereby agrees to establish and maintain the Project Fund and the 2014 Series A Project Account therein. The moneys in the Project Fund shall be disbursed by the Trustee upon the Written Request of the County, as agent of the Authority, for the payment of Project Costs relating to the Project.

Before any payment is made from the Project Fund, there shall be filed with the Trustee a Written Request of the County substantially in the form set forth in Exhibit B hereto showing with respect to each payment to be made:

- (i) the item number of the payment;
- (ii) the name and address of the person to whom payment is due;
- (iii) the amount to be paid; and
- (iv) the purpose for which the obligation to be paid was incurred.

Each such Written Request shall be sufficient evidence to the Trustee and the Authority and shall state:

(a) that obligations in the stated amounts have been incurred by the County, and that each item thereof is a proper charge against the Project Fund and has not been the subject of a prior requisition; and

(b) that there has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such Written Request, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Upon receipt of each such Written Request and accompanying Certificate, the Trustee will pay the amount set forth in such Written Request as directed by the terms thereof. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

All interest earnings on amounts on deposit in the Project Fund shall be deposited therein. If completion of the 2014 Project is delayed and the Authority determines there are excess funds in the 2014 Series A Project Account, the Authority may cause such funds to be transferred to the 2014 Series A Account or the Interest Account to be spent on interest on the

2014 Series A Bonds. Upon the completion of the 2014 Project, any amounts remaining in the 2014 Series A Project Account shall be expended on Capital Projects as specified by the County, subject to the receipt by the Authority of an Opinion of Counsel that such expenditures will not cause the interest on the 2014 Series A Bonds to be included in gross income for purposes of federal income taxation.

SECTION 3.03 [Conditions for the Issuance of Additional Bonds](#). The Authority may at any time issue Additional Bonds pursuant to a Supplemental Trust Agreement, including additional series to complete the build-out of the “warm shell,” payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) The Supplemental Trust Agreement shall require that the proceeds of the sale of such Additional Bonds shall be applied to the acquisition (by purchase or lease) or construction of facilities to be added to the Facilities or for the refunding of Outstanding Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Trust Agreement or by any Supplemental Trust Agreement.

(d) The Facilities Lease shall have been amended, if necessary, and duly recorded in the official records of the County Recorder of the County, so that the Base Rental Payments payable by the County thereunder in each Fiscal Year shall at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year.

(e) The Facilities Lease shall have been amended and duly recorded in the official records of the County Recorder of the County, so as to lease to the County the project being financed from the proceeds of such Additional Bonds or facilities of comparable worth and economic life.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction on real property not described in the Facilities Lease or the additional Facilities to be leased are not situated on property described in the Facilities Lease, (1) the Site Lease shall have been amended so as to lease to the Authority such additional real property; and (2) the Facilities Lease shall have been amended so as to lease to the County such additional real property.

(g) If the additional Facilities to be leased are to be constructed, the Trustee shall be paid an amount of capitalized interest on the Additional Bonds for the estimated period of construction and six months thereafter.



(h) The Supplemental Trust Agreement shall provide, if necessary, that from such proceeds or other sources an amount shall be deposited in the Series 2014 Reserve Account so that following such deposit there shall be on deposit in the Series 2014 Reserve Account an amount at least equal to the Series 2014 Reserve Account Requirement.

(i) [If the additional Facilities to be leased are to be constructed, such construction shall be undertaken in such a manner as shall not interfere with the County's beneficial use and occupancy of the Project.]

SECTION 3.04 [Proceedings for Authorization of Additional Bonds](#). Whenever the Authority and the County shall determine to execute and deliver any Additional Bonds pursuant to Section 3.03, the Authority and the Trustee shall enter into a Supplemental Trust Agreement providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Trust Agreement shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 3.03, shall provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates (or method of determining the rates, if variable), interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be issued, the County and the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that (1) such Counsel has examined the Supplemental Trust Agreement and the amendment to the Facilities Lease and the Site Lease required by Section 3.03(d), (e), and (f); (2) the execution and delivery of the Additional Bonds have been sufficiently and duly authorized by the County and the Authority; (3) said amendment to the Facilities Lease and the Site Lease if any, when duly executed by the County and the Authority, will be valid and binding obligations of the County and the Authority; and (4) all the conditions to the issuance of the Additional Bonds set forth in this Trust Agreement have been satisfied.

(b) A Certificate of the Authority stating that the requirements of Section 3.03 have been met.

(c) A certified copy of a resolution or ordinance of the County authorizing the execution of the amendments to the Facilities Lease required by Section 3.03(d), (e), and (f).

(d) An executed counterpart or duly authenticated copy of any amendment to the Facilities Lease required by Section 3.03(d), (e), and (f) that has been duly recorded in the official records of the County Recorder of the County.

(e) A Certificate of the County stating that the insurance required by Sections 5.01, 5.02 and 5.03 of the Facilities Lease is in effect.

(f) If the proceeds of such Additional Bonds are to be used, in whole or in part, to finance construction or acquire facilities on real property not then described in the Facilities Lease, an executed counterpart or duly authenticated copy of the Site Lease required by Section 3.03(f) that has been duly recorded in the official records of the County Recorder of the County.

(g) A title insurance policy insuring the Authority's leasehold or fee title in the real property on which the Facilities are located, and, if the proceeds of such Additional Bonds are to be used to finance construction on real property not then described in the Facilities Lease, a title insurance policy insuring the Authority's leasehold or fee title in such real property, such title insurance policy to be in an amount at least equal to the aggregate amount of outstanding Bonds (including Additional Bonds to be issued) or, at the option of the Authority, an opinion of counsel or Certificate of the County or such other evidence of the Authority's or County's leasehold or fee interest in such real property as shall be acceptable to the Authority.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the County and of the Authority stating that all applicable provisions of this Trust Agreement have been complied with (so as to permit the issuance of the Additional Bonds in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Trust Agreement to, or upon the Written Request of, the Authority.

SECTION 3.05 [Limitations on the Issuance of Obligations Payable from Revenues](#). The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues except the following:

(a) Bonds of any Series authorized in accordance with the provisions of Section 3.04;

(b) Obligations which are junior and subordinate to the payment of the principal, premium, interest and reserve fund requirements for the Bonds and which subordinated obligations are payable as to principal, premium, interest and reserve fund requirements, if any, only out of Revenues after the prior payment of all amounts then required to be paid hereunder from Revenues for principal, premium, interest and reserve fund requirements for the Bonds, as the same become due and payable and at the times and in the manner as required in this Trust Agreement.

## ARTICLE IV

### REDEMPTION OF BONDS

SECTION 4.01 [Extraordinary Redemption](#). The 2014 Series A Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to

Section 7.02(a) of the Facilities Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

SECTION 4.02 [Optional Redemption](#). The 2014 Series A Bonds maturing on or prior to \_\_\_\_\_ 1, 20\_\_ are not subject to optional redemption. The 2014 Series A Bonds maturing on or after \_\_\_\_\_ 1, 20\_\_, are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the 2014 Series A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

SECTION 4.03 [Mandatory Sinking Fund Redemption](#). The 2014 Series A Term Bonds maturing on \_\_\_\_\_ 15, 20\_\_ shall be subject to mandatory sinking fund redemption prior to maturity, in part on \_\_\_\_\_ 15 of each year on and after \_\_\_\_\_ 15, 20\_\_ by lot, from and in the amount of the Mandatory Sinking Fund payments set forth below at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon to the redemption date without premium.

Date (_____ 15)	Mandatory Sinking Fund <u>Payment</u>
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SECTION 4.04 [Selection of Bonds for Redemption](#). The Authority shall designate which maturities of Bonds and the principal amount of Bonds which are to be redeemed (other than Bonds subject to redemption pursuant to Section 4.03). If less than all Outstanding Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption. For purposes of such selection, Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

SECTION 4.05 [Notice of Redemption; Cancellation; Effect of Redemption](#). Notice of redemption shall be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the

Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption shall not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption shall be cancelled by the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

If notice of redemption has been duly given as aforesaid and money for the payment of the Redemption Price of the Bonds called for redemption plus accrued interest to the redemption date is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Bondholders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

## ARTICLE V

### REVENUES

#### SECTION 5.01 [Pledge of Revenues.](#)

(a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding

Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.

(b) The Authority, to the extent permitted by law, does hereby unconditionally grant, transfer and assign to the Trustee for the benefit of the Owners without recourse all of the Authority's right, title and interest as lessee under the Site Lease and as lessor under the Facility Lease, including without limitation the following: (i) all its rights to receive the Base Rental Payments scheduled to be paid by the County under the Facility Lease, (ii) all rents, profits, products and proceeds from the Facility to which the Authority has any right or claim whatsoever under the Facility Lease, (iii) the right to take all actions and give all consents under the Site Lease or the Facility Lease, (iv) any right of access provided in the Site Lease or the Facility Lease, and (v) any and all other rights and remedies of the Authority in the Site Lease as lessee thereunder and in the Facility Lease as lessor thereunder; provided that, so long as no Event of Default (as defined in the Facility Lease) shall have occurred or be continuing, the Authority shall have and may exercise all rights of the lessee under the Site Lease and of the lessor under the Facility Lease other than the right to receive the Base Rental Payments due and owing under the Facility Lease.

(c) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facilities Lease, the Trustee shall notify the County of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the County's obligation to make timely payments of installments of Base Rental Payments.

SECTION 5.02 [Receipt and Deposit of Revenues in the Revenue Fund](#). In order to carry out and effectuate the pledge, assignment, charge and lien contained herein, the Authority agrees and covenants that all Revenues and all other amounts pledged hereunder when and as received shall be received by the Authority in trust hereunder for the benefit of the Bondholders and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund (the "Revenue Fund"), which fund is hereby created and which fund the Trustee hereby agrees and covenants to maintain in trust for Bondholders so long as any Bonds shall be Outstanding hereunder. The County has been directed to pay all Base Rental Payments directly to the Trustee. If the Authority receives any Base Rental Payments, it shall hold the same in trust as agent of the Trustee and shall immediately transfer such Base Rental Payments to the Trustee. All Revenues and all other amounts pledged and assigned hereunder shall be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues and all other

amounts pledged and assigned hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Trustee.

SECTION 5.03 [Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund; Series 2014 Reserve Account](#)

(a) Revenue Fund. Subject to Section 6.03, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:

- (1) Interest Account, and
- (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund shall be transferred to the Series 2014 Reserve Account to the extent necessary to increase the amount therein to the Series 2014 Reserve Account Requirement and any excess shall be returned to the County as an excess payment of Base Rental Payments.

(b) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(c) Principal Account. On or before each December 1, commencing December 1, 2014, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such June 1 into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such June 1. On or before each Redemption Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the Redemption Price required to be paid on such Redemption Date.

No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such June 1 plus the aggregate amount of all sinking fund payments required to be made on such June 1 for all Outstanding Term Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each Series and maturity, designated as the “\_\_\_\_ Sinking Account” (the “Sinking Account”), inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article IV.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal or Redemption Price of the Bonds as it shall become due and payable, whether at maturity or redemption, except that any money in any Sinking Account shall be used and withdrawn by the Trustee only to redeem or to pay Term Bonds for which such Sinking Account was created.

(d) Reserve Account. The Trustee shall establish, maintain and hold in trust a separate account designated as the “Series 2014 Reserve Account.” The Series 2014 Reserve Account is available to pay only the principal of an interest on the Series 2014 Bonds. The Trustee may establish additional accounts to secure additional series of bonds issued hereunder. All money in the Series 2014 Reserve Account shall be used and withdrawn by the Trustee for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such accounts, except that so long as the Authority is not in default hereunder, any cash amounts in the Series 2014 Reserve Account in excess of the Series 2014 Reserve Account Requirement shall be withdrawn from the Series 2014 Reserve Account and deposited in the Project Fund, prior to completion of the Project, and thereafter to the Revenue Fund on or before each Interest Payment Date.

The Authority may satisfy all or a portion of the Series 2014 Reserve Account Requirement at any time with the deposit with the Trustee for the credit of the Series 2014 Reserve Account of a surety bond, an insurance policy or letter of credit as described below, or any combination thereof.

If the Series 2014 Reserve Account Requirement is satisfied by a surety bond, insurance policy or letter of credit as provided below (a “Reserve Facility”), the Trustee shall draw on such Reserve Facility in accordance with its terms and as hereafter provided, in a timely manner, to the extent necessary to fund any deficiency in the Interest Account or the Principal Account. The Authority shall repay solely from Revenues any draws under a Reserve Facility and pay all related reasonable expenses incurred by a Reserve Facility provider. Interest shall accrue and be payable on such draws and expenses from the date of payment by a Reserve Facility provider at the Late Payment Rate computed on the basis of the actual number of days

elapsed over a year of 360 days. Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount equal to the available Revenues after payment of principal and interest then due and the pro rata deposit to the Series 2014 Reserve Account.

The Trustee shall draw on the Reserve Facilities and all cash and investments in the Series 2014 Reserve Account on a pro rata basis calculated by the amount of the Series 2014 Reserve Account Requirement satisfied by such Reserve Facility or Reserve Facilities and such cash, in order to replenish the Principal Account and the Interest Account. If any obligations are due and payable under the Reserve Facility, any new funds deposited into the Series 2014 Reserve Account shall be used and withdrawn by the Trustee on a pro rata basis to pay such obligations in the order set forth below and to fund the Series 2014 Reserve Account Requirement. The Authority hereby pledges the Revenues to secure the payment of the Policy Costs, on a basis that is subordinate to the pledge of Revenues to the Trustee for the Bonds.

Amounts in respect of Policy Costs paid to a Reserve Facility provider shall be credited first to principal due, then to the interest due and then to expenses due. As and to the extent payments are made to a Reserve Facility provider on account of principal due, the coverage under the Reserve Facility will be increased by a like amount, subject to the terms of the Reserve Facility.

Draws on all Reserve Facilities on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the amount of the Series 2014 Reserve Account Requirement satisfied thereby). Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Facilities shall be made on a pro-rata basis with the replenishment of any cash drawn from the Series 2014 Reserve Account.

If the Authority shall fail to pay any Policy Costs in accordance with the above requirements, a Reserve Facility provider shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Trust Agreement other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect Owners of the Bonds.

This Trust Agreement shall not be discharged until all Policy Costs owing to a Reserve Facility provider shall have been paid in full. The Authority’s obligation to pay such amounts shall expressly survive payment in full of the Bonds.

The Trustee shall ascertain the necessity for a claim upon a Reserve Facility and provide notice to the Reserve Facility provider in accordance with the terms of such Reserve Facility at least five business days prior to each date on which interest or principal is due on the Bonds.

(i) Surety Bond or Insurance Policy. A surety bond or insurance policy issued to the Trustee, on behalf of the Bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of the principal of and interest on the Bonds (a “municipal bond insurer”) may be deposited in the Series 2014 Reserve Account to meet all or a



portion of the Series 2014 Reserve Account Requirement if such municipal bond insurer shall be rated by at least one Rating Agency at the time of such deposit in at least one rating in one of the two highest rating categories. Any such surety bond or insurance policy shall be valued at the face value of the policy even if the rating of the insurer shall have been reduced or withdrawn after deposit of such surety bond or insurance policy into the Series 2014 Reserve Account.

Regardless of any change in rating of the municipal bond insurer providing such bond or policy after the deposit of such a surety bond or insurance policy, the Authority shall be under no obligation to replace such bond or insurance policy or to deposit additional cash to the Series 2014 Reserve Account with respect to the amount of such bond or policy.

(ii) Letter of Credit. A letter of credit may be deposited in the Series 2014 Reserve Account to meet all or a portion of the Series 2014 Reserve Account Requirement, provided that any such letter of credit must be issued or confirmed by a state or national bank, or a foreign bank with an agency or branch located in the continental United States, which has outstanding an issue of unsecured long term debt securities rated at the time of such deposit at least equal to the rating on the Bonds given by any Rating Agency which has a then currently effective rating on the Bonds.

In the event that the rating on the unsecured long-term debt securities of the bank which has issued or confirmed any letter of credit is withdrawn or reduced by Moody's or S&P to a rate below the requirements set forth above, the Authority shall be under no obligation to replace such letter of credit or to deposit additional cash to the Series 2014 Reserve Account.

Unless the Bonds have been fully paid and retired, the Trustee shall draw the full amount of any letter of credit credited to the Series 2014 Reserve Account for such Bonds on the third Business Day preceding the date such letter of credit (taking into account any extension, renewal or replacement thereof) would otherwise expire, and shall deposit moneys realized pursuant to such draw in the Series 2014 Reserve Account.

(iii) Release of Moneys in Series 2014 Reserve Account. If the Authority replaces a cash-funded Series 2014 Reserve Account with a Reserve Facility meeting the requirements of either (i) or (ii) above, amounts on deposit in the Series 2014 Reserve Account shall, upon Written Request of the Authority to the Trustee, be transferred, subject to the receipt by the Authority and Trustee of an Opinion of Counsel that such transfer will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation, to the Authority and applied for the acquisition, construction, installation or equipment of public capital improvements or to the purchase or redemption of Bonds.

SECTION 5.04 Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be

accomplished by the use of said proceeds. The County, as agent of the Authority, shall file a Certificate of the County with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the Authority or the County, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Written Request of the County, as agent for the Authority under the Facilities Lease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee and the Authority of a Written Request of the County, stating that the County has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the Authority with the written consent of the County, and if the proceeds of such insurance together with any other moneys then available for such purpose (including allocable portions of the Series 2014 Reserve Account) are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial damage or destruction of the Facilities, of the Base Rental Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.01. The County shall not apply the proceeds of insurance as set forth in this Section 5.04 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.05      Deposit and Investments of Money in Accounts and Funds.

Subject to Section 6.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the Authority or, if no instructions are received, the funds will remain uninvested. Investment instructions will be promptly and diligently requested by the Trustee until received. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder; provided, however, that moneys in the Series 2014 Reserve Account shall be invested in Permitted Investments with a term to maturity not exceeding five (5) years. For purposes of this restriction, Permitted Investments containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Unless otherwise instructed by the Authority, all interest or profits received on any money so invested shall be deposited first in the Series 2014 Reserve Account, to the extent necessary to make amounts on deposit in the Series 2014 Reserve Account equal to the Series 2014 Reserve Account Requirement, and then in the Revenue Fund; provided that, with respect to the Project Fund, earnings on amounts in such fund shall be credited to such fund until completion of the respective Projects. The Trustee shall value Permitted Investments held in the Series 2014 Reserve Account no later than [June 15 and December 15] in each year; provided that for purposes of this Section the value of any such Permitted Investment shall be an amount equal to the lesser of the cost or the fair market value of such Permitted Investment. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments.

The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Trust Agreement.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment.

Subject to Section 6.03, investments in any and all funds and accounts except for the Rebate Fund may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Trust Agreement.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

SECTION 6.01 [Punctual Payment and Performance](#). The Authority will punctually pay out of the Revenues the interest on and principal of and redemption premiums, if any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained herein and in the Bonds.

SECTION 6.02 [Against Encumbrances](#). The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.04.

SECTION 6.03 [Rebate Fund](#).

(a) In addition to the accounts created pursuant to Section 5.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 5.01, 5.02, 5.05, 9.01 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and

the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 6.03 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund with respect to a Series of Bonds after redemption and payment of all such Series of Bonds and all other amounts due hereunder or under the Facilities Lease relating to such Series of Bonds, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the Written Request of the Authority.

#### SECTION 6.04 [Tax Covenants.](#)

(a) The Authority hereby covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on behalf of the Authority or cause or permit any circumstances within its control to arise or continue, if such action or inaction would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code. This covenant shall survive the payment in full of the Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee in a Request of the Authority accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section or the Tax Certificate 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 Bonds, the Authority and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(d) The foregoing provisions of this Section 6.03 shall not be applicable to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

SECTION 6.05 [Accounting Records and Reports.](#) The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Authority at reasonable hours and under reasonable conditions. The Trustee shall provide to the Authority monthly statements

covering the funds and accounts held by the Trustee pursuant to the Trust Agreement. Not more than one hundred eighty (180) days after the close of each Fiscal Year, the Trustee shall furnish or cause to be furnished to the Authority a complete financial statement (which may be in the form of the Trustee's customary account statements) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall keep or cause to be kept such information as is required under the Tax Certificate.

SECTION 6.06 [Prosecution and Defense of Suits](#). The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.07 [Further Assurances](#). Whenever and so often as reasonably requested to do so by the Trustee or any Bondholder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 6.08 [Maintenance of Revenues](#). The Authority will promptly collect all rents and charges due for the occupancy or use of the Facilities as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. Pursuant to Section 5.02 and the Facilities Lease, the County is to pay all Base Rental Payments directly to the Trustee. The Authority will at all times maintain and vigorously enforce all of its rights under the Facilities Lease.

SECTION 6.09 [Amendments to Facilities Lease and Site Lease](#).

(a) The Authority shall not supplement, amend, modify or terminate any of the terms of the Facilities Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of substitution of real property pursuant to Section 2.03 of the Facilities Lease), (b) is to add to the agreements, conditions, covenants and terms required to be

observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any substitution in accordance with Section 2.03 of the Facilities Lease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.03 of the Facilities Lease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the County pursuant to the Facilities Lease to an amount less than the scheduled principal and interest payment on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Trust Agreement on the Base Rental Payments (except as expressly provided in the Facilities Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

(b) The Authority shall not supplement, amend, modify or terminate any of the terms of the Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.03 of the Facilities Lease, or (e) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination.

SECTION 6.10 Leasehold Estate. The Authority will be, on the date of the delivery of the Bonds, the owner and lawfully possessed of the leasehold estate described in the Site Lease, and the Facilities Lease will be, on the date of delivery of the Bonds, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of the delivery of the Bonds, the County will be the owner in fee simple of the premises described in the Site Lease, the Site Lease will be lawfully made by the County and the covenants contained in the Site Lease on the part of the County will be valid and binding. At the time of the delivery of the Bonds, the Authority will have good right, full power and lawful authority to lease said leasehold estate, in the manner and form provided in the Facilities Lease, and the Facilities Lease will be duly and regularly executed.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Facilities Lease, the Authority will

in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Facilities Lease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Facilities Lease, or would or might be a ground for cancellation or termination of the Facilities Lease by the lessee thereunder. The Authority will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Trust Agreement shall be released or reconvened) any and all documentary evidence received by it showing compliance with the provisions of the Facilities Lease to be performed by the Authority. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Facilities Lease, or the leasehold estate thereby created, which may or can in any manner affect the estate of the lessor or of the Authority in or under the Facilities Lease, will deliver the same, or a copy thereof, to the Trustee.

SECTION 6.11 [Compliance with Continuing Disclosure Agreement](#). Pursuant to Section 8.08 of the Facilities Lease, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Bonds or any other person with respect to S.E.C. Rule 15c2-12. The County has agreed that so long as it shall act as the Dissemination Agent under the Continuing Disclosure Agreement, it will perform all of the provisions thereof to be performed by the Dissemination Agent. Notwithstanding any other provision of this Trust Agreement, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under Section 8.08 of the Facilities Lease or under this Section 6.11. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).”

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 [Events of Default and Acceleration of Maturities](#). If one or more of the following events (herein called “events of default”) shall happen, that is to say:

- (a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;
- (b) if default shall be made by the Authority in the due and punctual payment of the principal or premium, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for mandatory redemption;
- (c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such

default shall have continued for a period of sixty (60) days or (or if the Authority notifies the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60 day period, the failure will not constitute an event of default if the Authority commences to cure the failure within such 60 day period and thereafter diligently and in good faith cures such failure in a reasonable period of time);

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under Section 6.01 of the Facilities Lease;

then and in each and every such case during the continuance of such event of default the Trustee, upon the written request of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration and premium, if any, with interest at the rate borne by such Bonds on such overdue interest and principal and premium, if any, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Bondholders of not less than a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02 [Application of Funds Upon Acceleration](#). All moneys in the accounts and funds provided in Sections 3.01, 3.02, 5.02, 5.03 and 5.04 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other



than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the reasonable fees, costs and expenses of the Trustee in providing for the declaration of such event of default and carrying out its duties under this Agreement, including reasonable compensation to their accountants and counsel together with interest on any amounts advanced as provided herein and thereafter to the payment of the reasonable costs and expenses of the Bondholders, if any, in carrying out the provisions of this Article, including reasonable compensation to their accountants and counsel; and

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, and premium, with (to the extent permitted by law) interest on the overdue interest and principal and premium at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and premium and (to the extent permitted by law) interest on overdue interest and principal and premium without preference or priority among such interest, principal and premium and interest on overdue interest and principal and premium ratably to the aggregate of such interest, principal and premium and interest on overdue interest and principal and premium.

SECTION 7.03 [Institution of Legal Proceedings by Trustee](#). If one or more of the events of default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Trust Agreement and under Article VI of the Facilities Lease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 7.04 [Non-Waiver](#). Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and

every right or remedy conferred upon the Bondholders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.05 [Remedies Not Exclusive](#). No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 [Limitation on Bondholders' Right to Sue](#). No Bondholder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy hereunder; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Outstanding Bonds.

## ARTICLE VIII

### [THE TRUSTEE](#)

SECTION 8.01 [The Trustee](#). U.S. Bank National Association shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and

obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a corporate trust office in California.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds and a certificate of destruction shall be delivered to the Authority upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing or waiver of all events of default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any event of default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

SECTION 8.02 Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations

assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of not less than a majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be deemed to have knowledge of any event of default (except payment defaults) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Principal Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Facilities Lease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or County of the Facilities or the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facilities Lease or this Trust Agreement for the existence, furnishing or use of the Facilities or the Project.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or the County), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee is not responsible for the content of any official statement or any other offering or disclosure material prepared in connection with the Bonds.

SECTION 8.03 [Compensation and Indemnification of Trustee](#). The Authority covenants to pay (but solely from Additional Payments) to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee, in accordance with any of the provisions of this Trust

Agreement (including the reasonable compensation and the reasonable expenses and disbursements of their counsel (including the allocated reasonable fees and disbursements of in-house counsel) and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from their negligence or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damage, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including reasonable attorneys' fees and disbursements) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

## ARTICLE IX

### AMENDMENT OF THE TRUST AGREEMENT

#### SECTION 9.01 Amendment of the Trust Agreement.

(a) This Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consent of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity or Series remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the County without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which

shall become binding upon adoption but without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes:

(i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article III (which shall be deemed not to adversely affect Bondholders); or

(iv) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939.

SECTION 9.02 [Disqualified Bonds](#). Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

SECTION 9.03 [Endorsement or Replacement of Bonds After Amendment](#). After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Bondholder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Bondholder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Bondholder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 9.04 [Amendment by Mutual Consent](#). The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

## ARTICLE X

### DEFEASANCE

#### SECTION 10.01 Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all or any portion of the Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facilities Lease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facilities Lease.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.05, (2) there shall have been deposited with the Trustee (A) cash in an amount which shall be sufficient and/or (B) noncallable Government Securities, the interest on and principal of which when paid will provide cash which, together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

(c) In the event of an advance refunding (i) the Authority shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date or redemption date (“Verification”) (which Verification shall verify the mathematical accuracy of the computations relating to the adequacy of cash plus Government Securities to be held in escrow to pay debt service requirements (principal, interest and redemption price, including premium, to the applicable redemption or



maturity dates) when due on the Bonds to be refunded), (ii) the escrow agreement shall provide that no (A) substitution of a Government Security shall be permitted except with another Government Security and upon delivery of a new Verification and (B) reinvestment of a Government Security shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an Opinion of Bond Counsel to the effect that the Bonds are no longer “Outstanding” under the Trust Agreement; each Verification and opinion shall be addressed to the Authority and the Trustee.

SECTION 10.02 [Unclaimed Money](#). Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds.

## ARTICLE XI

### MISCELLANEOUS

SECTION 11.01 [Liability of Authority Limited to Revenues](#). Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the County, the State or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 11.02 [Benefits of this Trust Agreement Limited to Parties and Third Party Beneficiaries](#). Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee, and the Bondholders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on

behalf of the Authority or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee and the Bondholders.

SECTION 11.03 [Successor Is Deemed Included In All References To Predecessor.](#) Whenever herein either the Authority or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the Project that are presently vested in the Authority or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04 [Execution of Documents by Bondholders.](#) Any declaration, request or other instrument which is permitted or required herein to be executed by Bondholders may be in one or more instruments of similar tenor and may be executed by Bondholders in person or by their attorneys appointed in writing. The fact and date of the execution by any Bondholder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Bondholder of any Bond shall bind all future Bondholders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 11.05 [Waiver of Personal Liability.](#) No member, officer or employee of the Authority or the County shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

SECTION 11.06 [Destruction of Cancelled Bonds.](#) Whenever provision is made for the return to the Authority of any Bonds which have been cancelled pursuant to the provisions hereof, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds and furnish to the Authority a certificate of such destruction.

SECTION 11.07 [Content of Certificates.](#) Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the

signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority, upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.08 [Accounts and Funds](#). Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 11.09 [Business Day](#). When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 11.10 [Notices; Notices to Rating Agencies](#). All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the Authority: San Mateo County Joint Powers Financing  
Authority  
County Manager's Office  
400 County Center, 1st Floor  
Redwood City, California 94063-1663  
Attention: \_\_\_\_\_

If to the Trustee: U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107  
Attention: Corporate Trust Services

If to the County:

County of San Mateo  
County Manager's Office  
400 County Center, 1st Floor  
Redwood City, California 94063-1663  
Attention: County Counsel

The Trustee shall give written notice to Moody's and S&P of the redemption or defeasance of any Bonds, the amendment of the Facilities Lease or Trust Agreement, any change in the Trustee in accordance herewith.

SECTION 11.11 [Article and Section Headings and References](#). The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.12 [Partial Invalidity](#). If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.13 [Governing Law](#). This Trust Agreement shall be governed and construed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 11.14 [Execution in Several Counterparts](#). This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY has caused this Trust Agreement to be signed in its name by its [Title], and U.S. BANK NATIONAL ASSOCIATION., in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS  
FINANCING AUTHORITY

By: \_\_\_\_\_  
[Title]

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT A

[FORM OF 2014 SERIES A BOND]

No. \_\_\_\_\_

\$ \_\_\_\_\_

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY  
LEASE REVENUE BONDS  
(CAPITAL PROJECTS),  
2014 SERIES A  
(MAPLE STREET CORRECTIONAL CENTER)

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY OF SAN MATEO IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF SAN MATEO OR THE COMMUNITY DEVELOPMENT COMMISSION FOR THE COUNTY OF SAN MATEO, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Interest Rate	Maturity Date	Dated Date	CUSIP
_____ %	June 1, _____	_____, 2014	

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such

principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the fifteenth calendar day of the month preceding an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before \_\_\_\_\_, 20\_\_, in which event it shall bear interest from the Dated Date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the Principal Office of the Trustee. Capitalized terms used herein and not otherwise defined herein have the meanings ascribed thereto in the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "San Mateo County Joint Powers Financing Authority Lease Revenue Bonds" (the "Bonds") unlimited as to principal amount and is one of a duly authorized series of such Bonds known as "(Capital Projects), 2014 Series A (Maple Street Correctional Center)" (the "2014 Series A Bonds") issued in an aggregate principal amount of \_\_\_\_\_ dollars (\$[\_\_\_\_\_]), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of April 1, 2014 (as amended from time to time, the "Trust Agreement"), between the Authority and U.S. Bank National Association, as trustee (together with any successor as trustee under the Trust Agreement, the "Trustee") (copies of the Trust Agreement are on file at the corporate trust office of the Trustee).

The 2014 Series A Bonds are issued to provide funds to finance and refinance the acquisition, installation, implementation and construction of certain capital projects of the County, and related costs and expenses, located in the County of San Mateo (as more fully defined in the Trust Agreement, the "Project"). The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the "Revenues") derived from Base Rental Payments and other payments made by the County of San Mateo (the "County"), and all interest or other investment income thereon, pursuant to the Facilities Lease, dated as of April 1, 2014 (as amended from time to time, the "Facilities Lease"), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the

Trust Agreement. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the 2014 Series A Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption prior to maturity on the dates, at the redemption prices, and upon such notice as set forth in the Trust Agreement.

If an Event of Default (as defined in the Trust Agreement) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned Principal Office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.



It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the San Mateo County Joint Powers Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the Dated Date specified above.

SAN MATEO COUNTY JOINT POWERS  
FINANCING AUTHORITY

By \_\_\_\_\_  
President

[SEAL]

Countersigned:

\_\_\_\_\_  
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION  
TO APPEAR ON 2014 SERIES A BONDS]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on \_\_\_\_\_, 2014.

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

[DTC LEGEND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT TO  
APPEAR ON 2014 SERIES A BONDS]

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed: \_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM OF REQUISITION – PROJECT FUND

Date: \_\_\_\_\_, 20\_\_

No. \_\_\_\_

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107  
Attention: Corporate Trust Services

Re: San Mateo County Joint Powers Financing Authority Lease Revenue Bonds  
(Capital Projects), 2014 Series A (Maple Street Correctional Center)  
(Written Request of the County - 2014 Series A Project Account)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the 2014 Series A Project Account within the Project Fund provided for in Section 3.02 of the Trust Agreement dated as of April 1, 2014 (the “Trust Agreement”) between the San Mateo County Joint Powers Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee, the amount indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for the payment of project costs relating to the completion of the Capital Projects (as said term is defined in the Trust Agreement).

The obligations in the stated amount have been incurred by the County, and each item thereof is a proper charge against the 2014 Series A Project Account within the Project Fund. There has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named herein below, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

If checked here you are hereby authorized to close the 2014 Series A Project Account within the Project Fund and apply any remaining balance (after payment of any amounts indicated in Schedule A) to the redemption of bonds.

[Signature page follows]

Very truly yours,

COUNTY OF SAN MATEO

By \_\_\_\_\_  
Authorized Officer

cc: U.S. Bank National Association

SCHEDULE A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
—	_____	\$ _____	_____

EXHIBIT C

FORM OF REQUISITION – COSTS OF ISSUANCE

Date: \_\_\_\_\_

No. \_\_\_\_

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107  
Attention: Corporate Trust Services

Re: San Mateo County Joint Powers Financing Authority Lease Revenue Bonds  
(Capital Projects), 2014 Series A (Maple Street Correctional Center)  
(Written Request of the Authority – Costs of Issuance Fund)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the Costs of Issuance Fund provided for in Section 3.01 of the Trust Agreement dated as of April 1, 2014 (the “Trust Agreement”) between the San Mateo County Joint Powers Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee, the not to exceed amounts indicated on Schedule A attached hereto to the therein-named individuals, firms and corporations for expenses incident to the issuance of the above-referenced Bonds pursuant to the Trust Agreement.

The obligations in the stated amounts have been incurred by the Authority and each item thereof is a proper charge against the Costs of Issuance Fund.

If checked here you are hereby authorized to close the Costs of Issuance Fund and transfer any remaining balance (after payment of any amounts indicated in Schedule A) to the Authority for deposit to the 2014 Series A Project Account within the Project Fund.

Very truly yours,

SAN MATEO COUNTY JOINT POWERS  
FINANCING AUTHORITY

By \_\_\_\_\_  
Authorized Officer



SCHEDULE A

<u>Item No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Purpose</u>
---------------------	--------------	---------------	----------------