

BOARD OF SUPERVISORS OF THE COUNTY OF SAN MATEO

RESOLUTION NO. _____

**RESOLUTION PROVIDING FOR THE BORROWING OF FUNDS FOR FISCAL YEAR 2013-2014
AND THE ISSUANCE AND SALE OF COUNTY OF SAN MATEO, CALIFORNIA, 2013-2014
NOTES THEREFOR; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION
OF A PURCHASE CONTRACT AND AN ESCROW AGREEMENT**

WHEREAS, pursuant to Sections 53850 et seq. of the Government Code of the State of California (the "Government Code"), this Board of Supervisors (the "Board") has found and determined that the sum of not to exceed Sixteen Million Three Hundred Thousand Dollars (\$16,300,000) is needed for the requirements of the County of San Mateo (the "County") in relation to its funding of the Maple Street Correctional Center Project (the "Project") and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes (the "Notes") therefor in anticipation of the receipt of taxes, revenue and other moneys to be received by the County for the enterprise and general funds of the County (collectively, the "General Fund") allocable to Fiscal Year 2013-2014, including proceeds from the long term financing of the Project; and

WHEREAS, the County previously expended not less than \$16,300,000 in the acquisition and development of a site for the Project and prior to such expenditure the County indicated its intention to reimburse itself from the proceeds of a borrowing for such expenditure; and

WHEREAS, the County must complete the reimbursement of County funds advanced to purchase the site for the Project by December 30, 2013 in order to comply with certain federal rules related to the sale of tax exempt bonds; and

WHEREAS, the proceeds of the Notes will be applied to the reimbursement of such expenditures and it is anticipated that the Notes will be refunded with the proceeds of lease revenue bonds to be issued in the spring of 2014 that will finance the Project on a long-term basis; and

WHEREAS, it appears, and the Board hereby finds and determines, that said sum of Sixteen Million Three Hundred Thousand Dollars (\$16,300,000), when added to the interest estimated to be payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the County for the General Fund of the County attributable to Fiscal Year 2013-2014 and available for the payment of the principal of and interest on the Notes; and

WHEREAS, no money has heretofore been borrowed by the County through the issuance of any temporary notes in anticipation of the receipt of, or payable or secured by, taxes, income, revenue, cash receipts or other moneys of the County received or accrued during or allocable to Fiscal Year 2013-2014; and

WHEREAS, pursuant to Section 53856 of the Government Code of the State of California (the "Government Code"), certain revenues which will be received by the County for

the General Fund and attributable to Fiscal Year 2013-2014 can be pledged for the payment of the principal of and interest on the Notes; and

WHEREAS, the County wishes to authorize the issuance of the Notes in an amount not to exceed \$16,300,000; and

WHEREAS, the County has determined to authorize the sale of the Notes by a negotiated direct purchase to Citibank, N.A. or such other purchaser as shall be selected by the County Manager (the "Purchaser") pursuant to a contract of purchase (the "Purchase Contract") between the County and the Purchaser;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of San Mateo, as follows:

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

Section 2. Authorization of Issuance. Solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be accrued during or received by the County for the General Fund allocable to Fiscal Year 2013-2014, and not pursuant to any common plan of financing, the County hereby determines to and shall borrow the aggregate principal sum of not to exceed Sixteen Million Three Hundred Thousand Dollars (\$16,300,000), by the issuance of temporary notes under Sections 53850 et seq. of the Government Code, designated the "County of San Mateo, California, 2013-2014 Notes." The Notes shall be initially issued and registered as provided in Section 11 hereof and otherwise shall be in the denomination of \$100,000 or any integral multiple thereof, shall be dated the date of issuance thereof and shall be issued on or before December 30, 2013, shall mature on May 31, 2014. The Notes shall bear interest, payable at maturity or upon prior redemption thereof, computed on the basis of a 360-day year composed of twelve 30-day months, at the rate determined in accordance with this Resolution and as set forth in the Purchase Contract. The Notes shall be subject to redemption on any date upon five (5) business days notice to the owner thereof on or after such date as may be set forth in the Purchase Contract. Both the principal of and the interest on the Notes shall be payable at maturity or upon the redemption thereof in lawful money of the United States of America, only upon surrender of such Note at the office of Treasurer-Tax Collector of the County, as paying agent (together with any successor thereto, the "Paying Agent"). No interest shall be payable on any Note for any period after maturity or the redemption date thereof during which the registered owner thereof fails to properly present such Note for payment.

Section 3. Sale of Notes. The proposed form of Purchase Contract between the County and the Purchaser, on file with the Clerk of the Board of Supervisors and incorporated into this Resolution by reference, is hereby approved. The Treasurer-Tax Collector of the County (the "Treasurer"), the County Manager, the Deputy County Manager and Budget Director or any designee of any such official (each, an "Authorized Officer"), acting alone, is hereby authorized and directed, for and in the name and on behalf of the County, to accept the offer of the Purchaser to purchase the Notes as reflected in the Purchase Contract and to execute and deliver the Purchase Contract in substantially said form, with such changes therein as such Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced

by the execution and delivery of the Purchase Contract; provided, that the net interest cost on the Notes shall not exceed three tenths of one percent (.30%) per annum and the costs of issuance for the Notes shall not exceed \$75,000.

Section 4. Disposition of Proceeds of Notes. The proceeds of the sale of the Notes shall be transferred to the County and applied to reimbursement for costs of the Project.

Section 5. Source of Payment. (A) The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the General Fund for the fiscal year 2013-2014 and which are lawfully available for the payment of current expenses and other obligations of the County (the "Unrestricted Revenues").

(B) As security for the payment of the principal of and interest on the Notes, the County hereby pledges to deposit in trust in a special County fund designated as the "2013-2014 Note Repayment Fund" (the "Repayment Fund") the proceeds received from the issuance of lease revenue bonds (the "Bonds") issued with respect to the Project in an amount equal to the total principal and interest payable on the Notes and to the extent the Bonds are not issued by May 15, 2014, from the funds transferred from the Escrow Fund (hereinafter defined) to the Repayment Fund on May 15, 2014 and, to the extent such transfer is insufficient, from the first Unrestricted Revenues received by the County during the month of May, an amount sufficient to satisfy and make up any deficiency in the Repayment Fund with respect to amounts deposited therein. The amounts pledged by the County for deposit into the Repayment Fund from the proceeds of the Bonds, the transfer from the Escrow Fund or the Unrestricted Revenues received during May are hereinafter called the "Pledged Revenues."

(C) In the event that there have been insufficient Unrestricted Revenues received by the County by the third business day prior to the maturity date to permit the deposit into the Repayment Fund of the full amount of the Pledged Revenues required to be deposited with respect to such month, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other moneys of the County lawfully available for the payment of the principal of the Notes and the interest thereon (all as provided in Sections 53856 and 53857 of the Government Code) (the "Other Pledged Moneys") on such date or thereafter on a daily basis, when and as such Pledged Revenues and Other Pledged Moneys are received by the County.

Section 6. Pledged Revenues.

(A) The Pledged Revenues shall be deposited by the Treasurer in the Repayment Fund on or prior to the maturity date, and applied as directed in this Resolution; and the Other Pledged Moneys, if any, shall be deposited by the Treasurer of the County in the Repayment Fund on the last business day prior to the maturity date and on each business day thereafter, until the full amount of the moneys required by Section 5(B) has been so deposited in the Repayment Fund. The principal of and interest on the Notes constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Fund. Moneys in the Repayment Fund shall be applied only as hereinafter in this Section 6 provided.

(B) The Treasurer shall use the moneys in the Repayment Fund on the maturity date of the Notes or on the date of redemption thereof to pay the principal of and interest on the Notes then due. Any moneys remaining in the Repayment Fund after such payment, or after provision for such payment has been made, shall be transferred to the General Fund of the County.

(C) Moneys in the Repayment Fund shall be invested as permitted by Section 53601 or Section 53635 of the Government Code, except that no such investments shall have a maturity date later than the maturity date of the Notes. The proceeds of any such investments shall be retained in the Repayment Fund until payment of principal of and interest on the Notes (or provision therefor) has been made in accordance with paragraph (B), at which time any excess amount shall be transferred to the General Fund of the County.

Section 7. Escrow Fund. As additional security for the Notes, the County will establish an escrow fund (the "Escrow Fund") to be held by U.S. Bank National Association, as escrow agent (the "Escrow Agent"), under an escrow agreement between the County and the Escrow Agent. Pursuant to section 5451 of the Government Code, the County is authorized and directed under the terms of such escrow agreement to pledge the Escrow Fund, and all moneys, securities and other investment property held in or credited to the Escrow Fund, together with all earnings, income, and distributions thereon (the "Escrow Assets") as additional security for the Notes. Prior to the issuance of the Notes, the County shall transfer funds sufficient to pay principal of and interest on the Notes at maturity to the Escrow Fund. Upon the deposit of sufficient funds for the payment of the Notes from the proceeds of the Bonds, the amounts in the Escrow Fund shall be released to the County. In the event the Bonds are not issued on or prior to May 15, 2014, the amounts in the Escrow Fund will be transferred to the Repayment Fund and shall be applied to payment in full of all amounts due on the Notes.

Section 8. Escrow Agreement. The proposed form of escrow agreement (the "Escrow Agreement"), on file with the Clerk of the Board of Supervisors and incorporated into this Resolution by reference, is hereby approved. Each Authorized Officer, acting alone, is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Execution of Notes. The Treasurer or her designee is hereby authorized to execute the Notes by use of her manual or facsimile signature, and the Clerk of the Board of Supervisors of the County or one of his assistants is hereby authorized to countersign, by manual or facsimile signature, the Notes and to affix the seal of the County thereto by impressing the seal or by imprinting a facsimile of the seal thereon. Said officers are hereby authorized to cause the blank spaces in Exhibit A to be filled in as may be appropriate and to deliver the Notes to the respective purchasers thereof. In the case of Notes executed by facsimile signature of both the Treasurer and the Clerk of the Board of Supervisors, the Notes shall not be valid unless and until the Paying Agent shall have manually authenticated such Notes.

Section 10. Form of Notes and Certificate of Authentication and Registration. The Notes shall be issued in fully registered form without coupons and the Notes and the

Certificate of Authentication and Registration shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 11. Registration, Exchange and Transfer.

(A) The Depository Trust Company, New York, New York (“DTC” or “The Depository Trust Company”), is hereby appointed depository for the Notes. The Notes shall be initially issued and registered in the name of “Cede & Co.” as nominee of DTC and shall be evidenced by a single Note. Registered ownership of each Note, or any portion thereof, may not thereafter be transferred except as set forth in Section 11(B).

(B) The Notes shall be initially issued and registered as provided in Section 11(A) hereof. Registered ownership of the Notes, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (ii) of this subsection (B) (“Substitute Depository”); provided that any successor of Cede & Co., as nominee of The Depository Trust Company or Substitute Depository, shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository not objected to by the Treasurer, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Treasurer to substitute another depository for The Depository Trust Company (or its successor) because the Depository Trust Company (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the Treasurer to discontinue using The Depository Trust Company or a depository.

(C) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (B) of this Section 11, upon receipt of all outstanding Notes by the Paying Agent (together, in the case of a successor paying agent appointed by the County pursuant to Section 14 hereof, with a written request of the Treasurer to such successor paying agent designating the Substitute Depository), a single new Note, which the County shall prepare or cause to be prepared, shall be executed and delivered, registered in the name of any such successor to Cede & Co. or such Substitute Depository, or their respective nominees, as the case may be, all as specified by the Treasurer or, in the case of a successor paying agent appointed by the County pursuant to Section 14 hereof, as specified in the written request of the Treasurer. In the case of any transfer pursuant to clause (iii) of Subsection (B) of this Section 11 upon receipt of all outstanding Notes by the Paying Agent (together, in the case of a successor paying agent appointed by the County pursuant to Section 14 hereof, with a written request of the Treasurer to

such successor paying agent), new Notes, which the County shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as specified by the Treasurer or, in the case of a successor paying agent appointed by the County pursuant to Section 14 hereof, as are requested in such written request of the Treasurer, subject to the limitations of this Section 11, provided that the Paying Agent shall deliver such new Notes as soon as practicable.

(D) The County and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of the Resolution and for purposes of payment of principal of and interest on such Note, notwithstanding any notice to the contrary received by the Paying Agent or the County; and the County and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the County nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successor (or Substitute Depository or its successor), except to the owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Notes.

(E) Notwithstanding any other provision of this Resolution and so long as all outstanding Notes are registered in the name of Cede & Co. or its registered assigns, the County and the Paying Agent shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due all in accordance with the Letter of Representations, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(F) In the case of any transfer pursuant to clause (iii) of subsection (B) of this Section, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount in authorized denominations, upon the books required to be kept by the Paying Agent pursuant to the provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed and in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall authenticate, if required, and deliver a new Note or Notes of authorized denominations, for a like aggregate principal amount. The Paying Agent shall require the owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(G) The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the County. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Notes as hereinbefore provided.

(H) If any Note shall become mutilated, the County, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like series, tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. Every mutilated Note so surrendered to the Paying Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate, if required, and deliver a new Note of like series, tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County and the Paying Agent. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County whether or not the Note so alleged to be lost, destroyed or stolen be, at any time, enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes secured by this Resolution.

All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled by it. The County may at any time deliver to the Paying Agent for cancellation any Notes previously authenticated and delivered hereunder which the County may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be authenticated in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of as directed by the County.

(I) Ownership of the Notes is restricted to “qualified institutional buyers” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended and transfer of the Notes is subject to the restrictions set forth in the form of Note. A TRANSFER OF THE NOTES TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 WILL BE VOID AND THE PURPORTED TRANSFEROR WILL REMAIN THE OWNER OF RECORD.

Section 12. General Covenants. It is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution are true and correct and that the Board and the County, and their appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution and the Notes and shall cause to be paid in accordance with their terms the principal of and interest on the Notes.

Section 13. Tax Covenants; Rebate Fund.

(A) The County hereby covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Notes under Section 103 of the Internal Revenue of 1986 (the "Code"). Without limiting the generality of the foregoing, the County hereby covenants that it will comply with the requirements of the Tax Certificate of the County with respect to the Notes (the "Tax Certificate"), to be entered into by the County as of the date of issuance of the Notes. The provisions of this Section 13 shall survive payment in full or defeasance of the Notes.

The County covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, to assure that interest paid on the Notes shall, for the purposes of federal income taxes and California personal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(B) If funds are required to be deposited therein, the County shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the "2013-2014 Note Rebate Fund". There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein in accordance with the requirements of the Tax Certificate.

(C) Notwithstanding any other provision of this Resolution to the contrary, upon the County's failure to observe, or refusal to comply with, the covenants contained in this Section, no one other than the owners or former owners of the Notes shall be entitled to exercise any right or remedy under this Resolution on the basis of the County's failure to observe, or refusal to comply with, such covenants.

(D) Notwithstanding any provision of this section, if the County shall provide to the Paying Agent an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the Paying Agent and the County may conclusively rely on such opinion in complying with the requirements of this section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 14. Paying Agent. The Treasurer is hereby appointed as Paying Agent for the Notes. The County hereby directs and authorizes the payment by the Paying Agent of the interest on and principal of the Notes when such become due and payable, from the Repayment Fund in the manner set forth herein. The County hereby covenants to deposit funds in the Repayment Fund at the times and in the amounts specified herein to provide sufficient moneys to

pay the principal of and interest on the Notes on the day or days on which they mature. Payment of the Notes shall be in accordance with the terms of the Notes and this Resolution.

This appointment shall not preclude the County from appointing a financial institution to act as Paying Agent or one or more successors thereto, all without notice to or the consent of the registered owners of the Notes. Any such successor paying agent shall be or shall have co-paying agent relationships with one or more banks or trust companies with offices in New York, New York, or Los Angeles, California, or San Francisco, California.

The Paying Agent is also appointed as registrar and upon the request of any registered owner is authorized to record the transfer or exchange of Notes in accordance with the provisions hereof.

Section 15. Redemption of Notes. The Notes shall be subject to redemption on any date upon five (5) days notice of redemption at the principal amount thereof and accrued interest to the redemption date, without premium, on or after such date as may be set forth in the Purchase Contract. The Paying Agent is to give notice of redemption by mailing copies of such notice to DTC not less than five days prior to the date fixed for redemption. Notices of redemption given as described above are effective whether the notice is actually received, and whether any DTC procedures for giving notice are complied with. After the date fixed for redemption, if sufficient funds are on deposit in the Repayment Fund to pay the redemption price thereof, no further interest will accrue on the principal of the Notes called for redemption. If less than all the Notes are to be redeemed, the Paying Agent will select the particular Notes or portions thereof to be redeemed in authorized denominations in such manner in its discretion as it shall deem appropriate.

Section 16. Approval of Actions. All actions heretofore taken by the officers and agents of the County or the Board with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified, and the officers of the County and the Board are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution.

Section 17. Proceedings Constitute Contract. The provisions of the Notes and of this Resolution shall constitute a contract between the County and the registered owners of the Notes, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and, upon issuance of the Notes, shall be irrevocable.

Section 18. Severability. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Board shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed severable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Notes, and the owners of the Notes shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable

law. The Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Notes pursuant hereto irrespective of the fact that any one or more of the 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.

PASSED AND ADOPTED this 10th day of December, 2013.

COUNTY OF SAN MATEO

By: _____
President of the Board
of Supervisors

ATTEST:

Clerk of the Board of Supervisors

EXHIBIT A
[FORM OF NOTE]

THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED UNDER RULE 144A UNDER THE SECURITIES ACT OF 1933. THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED NOTES OF THE RESTRICTION ON TRANSFERS.

REGISTERED

REGISTERED

No. _____

\$ _____

COUNTY OF SAN MATEO, CALIFORNIA,
2013-2014 NOTE

Rate of Interest:

Note Date:

Maturity Date:

CUSIP:

December __, 2013

May 31, 2014

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, the County of San Mateo (the "County"), State of California, acknowledges itself indebted to and promises to pay to the Registered Owner identified above, or registered assigns, at the office of the Treasurer-Tax Collector of the County (the "Paying Agent"), the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above or upon prior redemption, together with interest thereon payable at the maturity thereof or upon redemption hereof at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year composed of twelve 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum. The principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note at the office of the Paying Agent as the same shall fall due; provided, however, that no interest shall be payable for any period after maturity or redemption during which the registered owner hereof fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes entitled "County of San Mateo, California, 2013-2014 Notes" (the "Notes"), in the aggregate principal amount of not to exceed Sixteen Million Three Hundred Thousand Dollars

(\$16,300,000), all of like tenor, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of the County (the "Resolution") duly passed and adopted under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the County, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the County for the general fund and enterprise funds of the County (collectively, the "General Fund") for the fiscal year 2013-2014 and which are lawfully available for the payment of current expenses and other obligations of the County (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes, the County has pledged to deposit in the Repayment Fund (as defined in the Resolution) the proceeds received from the issuance of lease revenue bonds (the "Bonds") issued with respect to the Project in an amount equal to the total principal and interest payable on the Notes and to the extent the Bonds are not issued by May 15, 2014, from the funds transferred from the Escrow Fund established as additional security for the Notes to the Repayment Fund on May 15, 2014 and, to the extent such transfer is insufficient, from the first Unrestricted Revenues received by the County during the month of May, an amount sufficient to satisfy and make up any deficiency in the Repayment Fund with respect to amounts deposited therein (such pledged amounts being hereinafter called the "Pledged Revenues"). In the event that there are insufficient Pledged Revenues received by the County by the business day prior to the maturity date to permit the deposit into the Repayment Fund of the full amount of the aforesaid moneys to be deposited, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up from any other moneys of the County lawfully available for the payment of the principal of and interest on the Notes (such other pledged moneys being hereinafter called the "Other Pledged Moneys"). The Pledged Revenues and Other Pledged Moneys shall be deposited in the Repayment Fund as specified in the Resolution. The principal of and interest on the Notes shall constitute a first lien and charge on, and shall be payable from, moneys in the Repayment Fund.

As additional security for the Notes, the County will establish an escrow fund (the "Escrow Fund") to be held by U.S. Bank National Association, as escrow agent (the "Escrow Agent"), under an escrow agreement between the County and the Escrow Agent. Prior to the issuance of the Notes, the County shall transfer funds sufficient to pay principal of and interest on the Notes at maturity to the Escrow Fund. Upon the deposit of sufficient funds for the payment of the Notes from the proceeds of the Bonds, the amounts in the Escrow Fund shall be released to the County. In the event the Bonds are not issued on or prior to May 15, 2014, the amounts in the Escrow Fund will be transferred to the Repayment Fund and shall be applied to payment in full of all amounts due on the Notes.

The Notes are subject to redemption on any date upon five (5) days notice of redemption at the principal amount thereof and accrued interest to the redemption date, without premium. The Paying Agent is to give notice of redemption by mailing copies of such notice to DTC not less than five days prior to the date fixed for redemption. Notices of redemption given

as described above are effective whether the notice is actually received, and whether any DTC procedures for giving notice are complied with. After the date fixed for redemption, if sufficient funds are on deposit in the Repayment Fund to pay the redemption price thereof, no further interest will accrue on the principal of the Notes called for redemption. If less than all the Notes are to be redeemed, the Paying Agent will select the particular Notes or portions thereof to be redeemed in authorized denominations in such manner in its discretion as it shall deem appropriate.

THIS NOTE IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER AS DEFINED UNDER RULE 144A UNDER THE SECURITIES ACT OF 1933. THE PURCHASER HEREOF AGREES TO PROVIDE NOTICE TO ANY PROPOSED TRANSFEREE OF A BENEFICIAL OWNERSHIP INTEREST IN THE PURCHASED NOTES OF THE RESTRICTION ON TRANSFERS.

EACH TRANSFEREE OF THIS NOTE, BY ITS PURCHASE HEREOF, IS DEEMED TO HAVE REPRESENTED THAT SUCH TRANSFEREE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 AND WILL ONLY TRANSFER, RESELL, REOFFER, PLEDGE OR OTHERWISE TRANSFER THIS NOTE TO A SUBSEQUENT TRANSFEREE WHO IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933.

A TRANSFER OF THIS NOTE TO ANY PERSON OTHER THAN A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933 WILL BE VOID AND THE PURPORTED TRANSFEROR WILL REMAIN THE OWNER OF RECORD.

In addition, the owner of the Notes and its permitted transferees shall not deposit the Notes in any trust or account under its control and sell any shares, participatory interests or certificates in such trust or account, except to Qualified Institutional Buyers in authorized denominations.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and set forth above, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange therefor.

The County and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the County nor the Paying Agent shall be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the

Certificate of Authentication and Registration hereon shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the County of San Mateo has caused this Note to be executed by the manual signature of its Treasurer-Tax Collector and countersigned by the manual or facsimile signature of the Clerk of its Board of Supervisors and caused the official seal of the County to be impressed hereon, all as of the Note Date specified above.

COUNTY OF SAN MATEO

By _____
Treasurer-Tax Collector

(SEAL)

Countersigned:

Clerk of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Notes described in the within mentioned Resolution, which Note has been registered on the date set forth below.

Date of Registration:

TREASURER-TAX COLLECTOR OF THE
COUNTY OF SAN MATEO, as Paying Agent

By _____

Unless this Note 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 Note 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]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ (insert Social Security Number or taxpayer identification number) the within-mentioned registered Note and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Dated:

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this Note in every particular, without any alteration or change whatsoever.

Signature Guaranteed By:

NOTE: The signature to the assignment must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

CLERK'S CERTIFICATE

I, John L. Maltbie, Clerk of the Board of Supervisors of the County of San Mateo, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of said County duly and regularly and legally held at the regular meeting place thereof on December 10, 2013, of which meeting all of the members of the Board of Supervisors of said County had due notice and at which a majority thereof were present.

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

Ayes:

Noes:

Absent:

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

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

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

Dated _____

Clerk of the Board of Supervisors
County of San Mateo

[Seal]