

**[\$16,300,000]  
COUNTY OF SAN MATEO, CALIFORNIA  
2013-2014 NOTES**

**NOTE PURCHASE AGREEMENT**

County of San Mateo  
400 County Center, 1st Floor  
Redwood City, California 94063-1663  
Attention: Treasurer-Tax Collector

December\_\_\_\_, 2013

The undersigned (the "Purchaser") offers to enter into this Note Purchase Agreement (the "Note Purchase Agreement") with the County of San Mateo, California (the "County"). This offer is made subject to acceptance evidenced by execution by the Treasurer-Tax Collector of the County (the "County Treasurer") or other authorized officer of the County prior to 11:59 p.m., Pacific Daylight Time, on the date hereof, and, upon such execution, this Note Purchase Agreement will be binding upon the County and the Purchaser.

**1. Purchase and Sale of the Notes.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Purchaser hereby agrees to purchase from the County, and the County hereby agrees to sell to the Purchaser, all (but not less than all) of the County's 2013-2014 Notes (the "Notes") issued on the Issue Date, as defined below, in the aggregate principal amount of \$[16,300,000]. The aggregate purchase price to be paid by the Purchaser for the Notes shall be \$[16,300,000] (consisting of the aggregate principal amount of the Notes)

**2. The Notes.** The Notes shall be dated their date of delivery, shall mature on [May 31, 2014], and shall otherwise be as described in and shall be issued and secured pursuant to the provisions of Resolution No. \_\_\_\_\_ of the County adopted on December\_\_\_\_, 2013 (the "Resolution"), and Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the "Act"). The execution and delivery of this Note Purchase Agreement and related documents were approved by the Board of Supervisors of the County by adoption of the Resolution.

The Notes shall be issued at an interest rate of [0.30]%. The principal amount of the Notes shall be \$[16,300,000]. The Notes shall be issued as a single Note registered in the name of "Cede & Co." as nominee, and delivered through The Depository Trust Company ("DTC") in New York, New York.

The Notes shall be secured by 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 (the "Escrow Agreement"). The County shall, simultaneously with the delivery of the Notes, transfer to the Escrow Fund funds sufficient to pay principal of and interest on the Notes at maturity.

3. **Direct Purchase.** In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the County (other than the representations, warranties and covenants made by the County in connection with this Note Purchase Agreement), its counsel (other than those matters addressed in the opinion of counsel to the County, which opinion is addressed to the Purchaser) or its bond counsel, Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”) (other than those matters addressed in the opinions of Bond Counsel delivered pursuant to this Note Purchase Agreement) relating to the legal consequences or other aspects of its investment in the Notes and the Purchaser has done its own due diligence relating to the County, its financial condition or business operations, or any other matter pertaining to the merits or risks of the transactions contemplated by the Notes, or the adequacy of the assets pledged to secure repayment of the Notes.

4. **Investor.** The Purchaser is purchasing the Notes for its own account and not with the intent to resell, subject to the provisions of the Investor Letter, and agrees to deliver to the County on the date of issuance of the Notes the Investor Letter attached hereto as Exhibit [A].

5. **Closing.** At 9:00 a.m., Pacific Daylight Time, on \_\_\_\_\_, 2013, or at such other time and on such other date as shall have been mutually agreed upon by the County and the Purchaser (the “Closing”), the County will deliver to the Purchaser through DTC the Notes in definitive form duly executed and other documents hereinafter mentioned, and the Purchaser will accept such delivery and pay the purchase price thereof in immediately available funds to the order of the County.

6. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Purchaser that:

(A) The County is a political subdivision duly organized and validly existing under the laws of the State of California (the “State”), and has all requisite power and authority to conduct its business and to execute, deliver and perform all of its obligations under this Note Purchase Agreement, the Escrow Agreement and the Resolution.

(B) (i) At or prior to the Closing, the County will have taken all actions required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the County has full legal right, power and authority to enter into this Note Purchase Agreement and the Escrow Agreement and to adopt the Resolution and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Note Purchase Agreement, the Escrow Agreement and the Resolution; (iii) the execution and delivery of the Notes, this Note Purchase Agreement, the Escrow Agreement and the Resolution, and the performance by the County of the obligations contained in the Notes, the Resolution, the Escrow Agreement and this Note Purchase Agreement have been duly authorized and such authorization will be in full force and effect at the time of the Closing; (iv) this Note Purchase Agreement has been and the Escrow Agreement upon execution at Closing will be duly executed and delivered and each will constitute the valid and legally binding obligation of the County enforceable against the County in accordance with its terms except that enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium and other similar laws for the protection of debtors and by application of general principles of equity relating to

the specific performance of contracts; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Note Purchase Agreement.

(C) No consent, approval, authorization, license, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required for the consummation of the transactions contemplated hereby, except the County makes no representation as to any actions may be necessary to be taken to qualify the Notes for offer and sale under the Blue Sky or other securities laws and regulations of any state or jurisdiction of the United States as no such registration or qualification is being undertaken with respect to the Notes.

(D) All Notes will be issued only under and within the limits of the Act, and, as such, are general obligations of the County, but payable only out of certain taxes, income, revenue, cash receipts and other moneys to be received by the County attributable to Fiscal Year 2013-2014.

(E) The issuance of the Notes, the execution, delivery and performance of this Note Purchase Agreement, the Escrow Agreement, the Resolution and the Notes, and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the County a violation of the Constitution and laws of the State and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(F) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body, pending (with service of process having been obtained) or (to the knowledge of the County) threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices of the County or the entitlement of the officials of the County to such offices, or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or assets of the County to pay the principal of and interest on the Notes, or in any way contesting the powers of the County or its authority with respect to the Notes, the Resolution, the Escrow Agreement or this Note Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the consummation of the transactions contemplated by this Note Purchase Agreement, (b) declare this Note Purchase Agreement or the Escrow Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exemption of interest on the Notes from federal or State of California income taxation.

(G) The audited balance sheet of the County as of June 30, 2012, and the related statements of revenues, expenditures and changes in financial position for the fiscal year ended on such date, fairly present the financial condition of the County as of such date and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the County since June 30, 2012.

(H) The County acknowledges and agrees that (i) the purchase of the Notes pursuant to this Note Purchase Agreement is an arm's-length commercial transaction

between the County and Purchaser, (ii) in connection with this transaction, Purchaser is acting solely as a principal and not as an agent or fiduciary of the County, (iii) with respect to the purchase of the Notes or the process leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the County on other matters), the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the County or any other obligation of the County except the obligations expressly set forth in this Note Purchase Agreement and (iv) the County has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the purchase of the Notes.

(I) Any certificates signed by any official of the County and delivered to the Purchaser shall be deemed a representation and warranty by the County to the Purchaser as to the statements made therein.

(J) The County has been in compliance in all material respects with all of its continuing disclosure obligations under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

(K) Anti-Terrorism Representation.

(a) Neither the County nor any of its affiliates is in violation of any laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the USA Patriot Act, Title III of Pub. L. 107-56, 115 Stat. 272 (the “Patriot Act”);

(b) Neither the County nor any of its affiliates is any of the following:

(i) a Person (as hereinafter defined) that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a Person with which the Purchaser is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(c) Neither the County nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services

to or for the benefit of any Person described in subsection (b)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

The term "Person" as used herein means an individual, a corporation, a partnership, an association, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental or political subdivision or agency or instrumentality thereof.

**7. Covenants of the County.** The County covenants and agrees with the Purchaser that:

(A) The County will punctually pay or cause to be paid the principal of and interest on the Notes in strict conformity with the terms of the Resolution, the Escrow Agreement and the Notes and it will faithfully observe and perform all of the conditions, covenants and requirements of the Notes and the Resolution. The County will cause the Pledged Moneys to be deposited in the Repayment Fund (each as defined in the Resolution) by the dates and in the amounts contemplated by the Resolution.

(B) The County will apply the proceeds from the sale of the Notes for the purposes specified in the Resolution.

**8. Conditions to Obligations of Purchaser at Closing.** The Purchaser has entered into this Note Purchase Agreement in reliance upon the representations and warranties and covenants of the County contained herein and the performance by the County of its obligations hereunder, as of the date hereof and as of the Closing. The obligation of the Purchaser to purchase the Notes at the Closing is and shall be subject to the following further conditions, any of which may be waived by the Purchaser in writing:

(A) The representations and warranties of the County contained herein shall be true and correct in all material respects at the date hereof and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Purchaser at the Closing and otherwise pursuant hereto shall be true and correct in all material respects at and as of the Closing;

(B) At and as of the Closing (i) this Note Purchase Agreement, the Escrow Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County shall perform or have performed all of its obligations required under or specified in the Resolution, the Escrow Agreement or this Note Purchase Agreement to be performed at or prior to the Closing;

(C) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending (with service of process having been obtained) or (to the knowledge of the County) threatened against the County which could have any of the effects described in paragraph (F) of Section 6 hereof;

(D) No order, decree or injunction of any court of competent jurisdiction, nor any order, ruling or regulation of the Securities and Exchange Commission, has been issued or made with the purpose or effect of prohibiting the issuance, offering, or sale of the Notes as contemplated hereby and no legislation has been enacted, or a bill favorably reported for adoption, or a decision by a court established under Article III of the Constitution of the United States rendered, or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the notes or any other securities of the County or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect; and

(E) At or prior to the Closing, the Purchaser shall have received a copy of this Note Purchase Agreement and the Escrow Agreement duly executed by the respective parties, and the following documents in each case dated at and as of the Closing and satisfactory in form and substance to the Purchaser:

(1) An approving opinion of Bond Counsel, as to the Notes, addressed to the County (with a reliance letter to the Purchaser) in the form attached hereto as Exhibit [ ];

(2) A supplemental opinion of Bond Counsel, addressed to the Purchaser, to the effect that:

(i) Each of this Note Purchase Agreement and the Escrow Agreement, assuming due authorization, execution and delivery by and validity against each other party thereto, is a binding agreement of the County subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State, and provided that no opinion is expressed with respect to any indemnification, contribution, penalty, severability, choice of law, choice of forum, choice of venue or waiver provisions contained therein;

(ii) The Notes are not subject to the registration requirements of the Securities Act of 1933, as amended; and

(iii) Such other matters, including but not limited to certain bankruptcy matters, as the Purchaser may reasonably request.

(3) A certificate of counsel to the County to the effect that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or

public body, pending, or to the best knowledge of such counsel threatened, against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices of the County or the entitlement of the officials of the County to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues or assets of the County pledged or to be pledged or available to pay the principal of and interest on the Notes, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Notes or the Escrow Agreement, or contesting the Resolution or the Escrow Agreement, or contesting the powers of the County or its authority with respect to the Notes, the Escrow Agreement or the Resolution or contesting the County's ability to issue and retire the Notes; or (iii) in which a final adverse decision could materially and adversely affect the operations of the County or the consummation of the transactions contemplated hereby and by the Resolution;;

(4) A certificate or certificates signed by an appropriate official of the County to the effect that the County has performed all of its obligations required under or specified in the Resolution, the Escrow Agreement and this Note Purchase Agreement to be performed at or prior to the Closing;

(5) A certificate, together with a fully executed copy of the Resolution, of the Clerk of the Board of Supervisors of the County of San Mateo to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect at and as of the Closing, except for amendments, if any, adopted with the consent of the Purchaser; and

(6) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser or its counsel may reasonably request to evidence compliance by the County with legal requirements, the truth and accuracy, at and as of the Closing, of the representations, warranties and agreements of the County herein contained, and the due performance and satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County.

**9. Termination of Obligations of Purchaser.** If the County shall be unable to satisfy the conditions to the obligations of the Purchaser set forth in Section 8 of this Note Purchase Agreement, the obligations of the Purchaser under this Note Purchase Agreement may be terminated by the Purchaser by written notice to the County at, or at any time prior to, the Closing. Notwithstanding any provision herein to the contrary, the satisfaction of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in writing in its sole discretion.

The Purchaser shall also have the right to terminate, in its sole discretion, its obligations under this Note Purchase Agreement, by notice to the County at, or at any time prior to, the Closing, if between the date hereof and the Closing: (i) the market for the Notes or the market price for the Notes shall have been materially and adversely affected, in the reasonable

professional judgment of the Purchaser, by (a) legislation enacted by the Congress of the United States, or passed by either House of Congress or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or proposed in any form or forum by a member of either House of Congress, or by the legislature of the State or by the United States Tax Court, or a ruling, order, or regulation (final, temporary or proposed) made by the Treasury Department of the United States or the Internal Revenue Service or other federal or State court or other authority, which would have the effect of changing, directly or indirectly, income tax consequences of interest on obligations of the general character of the Notes in the hands of the holders thereof, or (b) any new outbreak of hostilities or other new national calamity or crisis on the financial markets of the United States, or (c) a general suspension of trading on the New York Stock Exchange, or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (d) a general banking moratorium declared by either federal or State or New York authorities having jurisdiction; or (ii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which, in the reasonable professional judgment of the Purchaser, materially and adversely affect the [market price for][market for tax-exempt investments similar to] the Notes.

**10. Conditions to Obligations of the County.** The performance by the County of its obligations under this Note Purchase Agreement with respect to issuance, sale and delivery of the Notes to the Purchaser is conditioned upon (i) the performance by the Purchaser of its obligations hereunder, including delivery of the Investor Letter; and (ii) receipt by the County and the Purchaser of opinions and certificates being delivered at or prior to the Closing by persons and entities other than the County.

**11. Expenses.** The Purchaser shall pay all of its out-of-pocket expenses (other than fees and expenses of Purchaser's counsel), including: (1) clearing house fees; (2) DTC fees; (3) CUSIP Bureau charges; (4) fees of the California Debt and Investment Advisory Commission; (5) Securities Industry and Financial Markets Association fees; (6) Municipal Securities Rulemaking Board fees related to the within transaction, if any; (7) the costs associated with qualifying the Notes under applicable Blue Sky requirements and/or legal investment surveys, if any; and (8) travel and other expenses. The County shall pay the fees and expenses of Purchaser's Counsel.

**12. Notices.** Any notice or other communication to be given under this Note Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) shall be given by telephone or telex, confirmed in writing, or by delivering the same in writing, if to the County, to: County of San Mateo, 400 County Center, 1st Floor, Redwood City, California 94063-1663, Attn: Treasurer-Tax Collector, and if to the Purchaser, to: [\_\_\_\_\_].

**13. No Immunity.** [The County is not immune from liability or suit in connection with any legal proceeding to enforce or collect the Notes or any obligation under the Resolution, this Note Purchase Agreement or the Escrow Agreement; the County is subject to



service of process and legal proceedings may be commenced and maintained against the County for enforcement or collection in respect of any of the County's obligations under the Notes, this Note Purchase Agreement or the Escrow Agreement, recognizing, however, that the procedural requirements of the California civil and commercial law which apply to the County are, in many respects, different from the procedural requirements which would apply to an individual, partnership, corporation or other private entity under similar circumstances.]

#### **14. Judicial Reference.**

(A) TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTER-CLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS NOTE PURCHASE AGREEMENT, THE NOTES OR THE ESCROW AGREEMENT. THE COUNTY ACKNOWLEDGES AND AGREES THAT THIS PROVISION CONSTITUTES PART OF THE CONSIDERATION FOR THE PURCHASER PURCHASING THE NOTES. EACH OF THE PARTIES REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL.

(B) In the event the jury waiver provisions set forth above are not permitted for any reason, the parties hereto agree as follows:

(1) Any and all disputes, claims, causes of action and controversies arising out of the Escrow Agreement or the transactions contemplated in this Note Purchase Agreement (including, but not limited to, actions arising in contract or tort and any claims by any party hereto against another party related to this Note Purchase Agreement) (individually, a "Dispute") that are brought in a court of competent jurisdiction (a "Court") shall be heard by a neutral referee selected in accordance with the provisions of this Note Purchase Agreement (the "Referee") and resolved by judicial reference pursuant to the provisions of the California Code of Civil Procedure §§ 638 *et seq.* Upon a written request or upon appropriate motion by a party, any Dispute shall be heard by a Referee.

(2) The Referee shall be a retired judge or justice of the State or a federal court judge. No person may be appointed as the Referee that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all parties.

(3) The parties shall have a period of ten (10) calendar days to agree upon the Referee after one party serves written notice of intent for judicial reference upon the other party or parties. If the parties are unable to agree upon the Referee within said ten (10) day period, then the Referee will be selected by the Court in accordance with California Code of Civil Procedure Section 640(b).

(4) The Referee shall conduct the proceedings in respect of the applicable dispute(s) in accordance with the California Code of Civil Procedure, the Rules of Court, and the California Evidence Code, except as otherwise specifically agreed to in writing by the parties and approved by the Referee. The Referee shall try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The decision of the Referee shall be entered as a judgment in the Court in accordance with the provisions of California Code of Civil Procedure Sections 644 and 645. The decision of the Referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of a Superior Court of the State of California.

(C) Nothing in this Section 14 shall be deemed to apply to or limit the right of any secured party to (i) exercise self-help remedies such as might otherwise be available under applicable law; (ii) initiate judicial or nonjudicial foreclosure against any real or personal property collateral; (iii) exercise judicial or nonjudicial power of sale rights; (iv) pursue rights against another party in a third-party proceeding in any action brought against such first party (including actions in bankruptcy court) involving disputes, claims, causes of action or controversies which do not constitute a Dispute; or (v) obtain or oppose provisional or ancillary remedies, including without limitation, injunctive relief, writs of possession, the appointment of a receiver, and/or supplemental remedies from a court of competent jurisdiction. Neither the exercise of self-help remedies nor the institution or maintenance of any remedy described in the preceding sentence, or the opposition to any such remedy, shall constitute a waiver of the right of any party, including, but not limited to, the right of any party acting as the claimant in any such action, to require submission to judicial reference of the merits of the Dispute occasioning resort to such remedies. No provision in this Note Purchase Agreement, the Escrow Agreement or the Resolution or any other document or instrument regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions of this Section 14 providing for judicial reference of any Dispute.

(D) If a Dispute includes multiple claims, some of which are found to be not subject to this Section 14, the parties shall stay the proceedings of the Disputes or part or parts thereof not subject to this Section 14 until all other Disputes or parts thereof are resolved in accordance with this Section 14. If there are Disputes by or against multiple parties, some of whom are neither subject to this Section 14 nor willing to be bound by the terms of this Section 14 with respect to such Disputes, the parties shall sever the Disputes subject to this Section 14 and resolve them in accordance with the provisions herein.

(E) During the pendency of any Dispute which is submitted to judicial reference in accordance with this Section 14, the fees charged and costs incurred by the Referee in performing the services herein described, which shall not exceed the prevailing rate for like services, shall be borne equally by the parties hereto and each party shall bear the costs of its own legal expenses, except as set forth in subparagraph (G) below.

(F) All judicial reference proceedings shall be closed to the public and confidential, and all records relating to the reference shall be permanently sealed when the order thereon becomes final.

(G) In the event of any challenge to the legality or enforceability of this Section 14, the prevailing party or parties shall be entitled to recover the costs and expenses from the non-prevailing party or parties, jointly or severally, including reasonable attorneys' fees, incurred by it in connection therewith.

(H) THIS SECTION 14 CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN OR AMONG THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638.

**15. Parties in Interest; Survival of Representations and Warranties.** This Note Purchase Agreement when executed by and authorized County representative shall constitute the entire agreement between the County and the Purchaser and is made solely for the benefit of the County and the Purchaser (including their respective successors and assigns). No other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and warranties of the County in this Note Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Purchaser, (b) delivery of any payment by the Purchaser for the Notes hereunder, and (c) any termination of this Note Purchase Agreement.

**16. Execution in Counterparts.** This Note Purchase Agreement may be executed in counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

**17. Applicable Law.** This Note Purchase Agreement shall be interpreted under, governed by and enforced in accordance with the laws of the State.

Very truly yours,  
**CITIBANK, N.A.**

By: \_\_\_\_\_  
Vice President

The foregoing is hereby agreed to and  
accepted as of the first above written:

**COUNTY OF SAN MATEO**

By: \_\_\_\_\_  
Treasurer-Tax Collector

Approved as to form and legality:

By: \_\_\_\_\_  
Deputy County Counsel

**EXHIBIT A**  
**FORM OF INVESTOR LETTER**

**INVESTOR LETTER**

December \_\_, 2013

County of San Mateo  
400 County Center, 1st Floor  
Redwood City, California 94063-1663  
Attention: Treasurer-Tax Collector

Re: County of San Mateo, California  
2013-2014 Notes

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced notes (the "*Notes*"), dated their date of issuance. The Notes are being issued under and secured in the manner set forth pursuant to resolution adopted by the Board of Supervisors of the County of San Mateo (the "*County*"), on December 10, 2013 (the "*Resolution*"). Citibank, N.A. (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Notes pursuant to a Note Purchase Agreement dated as of December \_\_, 2013 (the "*Note Purchase Agreement*"), between the Purchaser and the County. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Notes have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state nor has the Resolution been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Notes (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.

2. We have not offered, offered to sell, offered for sale or sold any of the Notes by means of any form of general solicitation or general advertising, and we are not an underwriter of the Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

4. We have authority to purchase the Notes and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Notes.

5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

6. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act, and is able to bear the economic risks of such investment.

7. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The Purchaser has made its own inquiry and analysis with respect to the County, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.

8. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the County, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the County, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes.

9. The Notes are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Notes, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that the Purchaser reasonably believes to be a qualified institutional buyer who executes an investor letter substantially in the form of this letter.

Very truly yours,

CITIBANK, N.A.

By: \_\_\_\_\_

Name:

Title: