

RESOLUTION NO. .

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

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RESOLUTION: 1. APPROVING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$265,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (REFUNDING AND CAPITAL PROJECTS), TO FINANCE CERTAIN PUBLIC CAPITAL IMPROVEMENTS AND THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS (CAPITAL PROJECTS), 2014 SERIES A, TO PAY COSTS OF ISSUANCE OF THE BONDS, AND TO PAY CAPITALIZED INTEREST ON THE BONDS; AND 2. AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST AGREEMENT, A FIRST AMENDMENT TO FACILITY LEASE, A FIRST AMENDMENT TO SITE LEASE, A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; AND 3. AUTHORIZING A LEASE FINANCING WITH THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY BASED ON A FINDING OF SIGNIFICANT PUBLIC BENEFIT; AND 4. APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH

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

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

WHEREAS, the County has heretofore entered into a Site Lease, dated as of April 1, 2014, between the County and the Authority (the “Site Lease”), for the lease of the Project (as defined herein) and other County property, and is presently leasing the same back from the Authority pursuant to a Facility Lease, dated as of April 1, 2014, between the Authority and the County (the “Facility Lease”);

WHEREAS, pursuant to a Trust Agreement dated as of April 1, 2014 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), the Authority has heretofore issued the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the “2014 Bonds”), in the aggregate principal amount of \$175,065,000, for financing and refinancing the acquisition, construction, remodeling and equipping of certain facilities for the County of San Mateo (the “Project”) and other capital improvements for the County;

WHEREAS, a portion of the 2014 Bonds are currently outstanding;

WHEREAS, the County now wishes to request, and it furthers the public purpose for, the Authority to assist the County in making public capital improvements, including, but not limited to, the acquisition, construction and improvements of certain hospital and health facilities within the County, such as the Cordilleras Mental Health Center (the “2021 Capital Improvements”) and refunding and defeasing, to the extent

there are debt service savings, all or a portion of the outstanding 2014 Bonds (the “Prior Bonds”);

WHEREAS, refinancing the Prior Bonds will lower the interest rate, thereby reducing the rent payable by the County under the Facility Lease;

WHEREAS, Section 6586.5 of the JPA Law requires that a member of the Authority within whose boundaries the project being financed is located conduct a public hearing on the financing and following such hearing make a finding of significant public benefit as to the financing;

WHEREAS, the County, as a member of the Authority within whose boundaries the proposed 2021 Capital Improvements are located, held a public hearing on the financing on the date hereof following publication of notice of the public hearing at least five days prior hereto in a newspaper of general circulation in the County;

WHEREAS, the County desires to approve the sale and issuance by the Authority of not to exceed \$265,000,000 in aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A (the “Bonds”) pursuant to the Trust Agreement, as supplemented by a First Supplemental Trust Agreement, by and between the Authority and the Trustee (the “First Supplemental Trust Agreement”), for the purpose of financing the 2021 Capital

Improvements, refunding and defeasing all or a portion of the Prior Bonds, paying costs of issuance of the Bonds and paying capitalized interest on the Bonds;

WHEREAS, the financing will require amendments to the Facility Lease and the Site Lease to include the Cordilleras Mental Health Center among the properties leased to the Authority and leased back by the County, and provide other terms of the financing, such action to be taken pursuant to a First Amendment to Site Lease (the “First Amendment to Site Lease”) and a First Amendment to Facility Lease (the “First Amendment to Facility Lease”), the forms of which are both on file with the Clerk of the Board of Supervisors (the “Board”);

WHEREAS, Section 5852.1 of the Government Code of the State of California requires that the Governing Board of the Authority obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of certain financing information with respect to such bonds in a meeting open to the public;

WHEREAS, in compliance with said section, the Governing Board of the Authority has obtained from the Senior Manager the required good faith estimates for the Bonds, and such information has also been provided to this Board in connection with this agenda item, and such estimates have been made available to the general public;

WHEREAS, California Financial Services Inc. is serving as municipal advisor (the “Municipal Advisor”), Orrick, Herrington & Sutcliffe LLP is serving as bond

counsel (“Bond Counsel”), and Norton Rose Fulbright US LLP is serving as disclosure counsel (“Disclosure Counsel”) to the County and Authority in connection with the financing;

WHEREAS, Citigroup Global Markets, Inc. is serving as the Senior Managing Underwriter (the “Senior Manager”) and Morgan Stanley & Co. LLC is serving as Co-Senior Manager (the “Co-Senior Manager”) to the County and the Authority in connection with the financing and will be joined by Siebert Williams Shank & Co. LLC and RBC Capital Markets, LLC, firms from the County’s pre-selected underwriting pool;

WHEREAS, the Authority and the County may also sell the Bonds by direct purchase should the County, in consultation with its Municipal Advisor, deem it to be in the County’s interests to do so;

WHEREAS, there have been presented to this Board the proposed forms of an Official Statement describing the Bonds, a Bond Purchase Contract for the Bonds and a Continuing Disclosure Agreement for the Bonds (as such terms are hereinafter defined);

WHEREAS, Senate Bill 1029 (“SB1029”) was signed by the California Governor on September 12, 2016 and places additional responsibilities on any issuer of public debt, including adopting debt management policies that meet certain criteria;

WHEREAS, the County has adopted a Debt Management Policy, represents that it is in compliance with SB1029 pre-issuance requirements, the Bonds will be issued in compliance with the Debt Management Policy and the County will comply with all post-issuance requirements of SB1029; and

WHEREAS, the base rental payments payable by the County under the Facility Lease as amended will not violate the County's Debt Management Policy;

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

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

Section 2. The Board finds that the financing will result in significant public benefit including demonstrable savings in effective interest rate costs; employment benefits from undertaking the project in a timely fashion; and more efficient delivery of County services to taxpayers;

Section 3. The Board hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$265,000,000, to be issued in one or more series and to carry such designation as the officer executing the same determines is appropriate. The Bonds may be issued as current delivery bonds, and/or as forward delivery direct purchase bonds, as noted in Section 8 below. The Bonds may

be issued as either taxable or tax-exempt bonds (or a combination thereof) under Section 103 of the Internal Revenue Code of 1986, as amended. The proceeds of the Bonds shall be used to finance certain public capital projects, to refund all or a portion of the Prior Bonds, to pay costs of issuance of the Bonds and to pay capitalized interest on the Bonds. The Board hereby authorizes and approves the addition of the Cordilleras Mental Health Center, when completed, to those properties leased to the Authority pursuant to the Site Lease and leased back by the County pursuant to the Facility Lease, if the inclusion of such property is determined to be necessary or beneficial to the financing by the County Manager, Assistant County Manager or any Deputy County Manager, the County Budget Director, or any designee of any such officer (each an "Authorized Officer") of the County.

Section 4. The proposed form of First Amendment to Site Lease, on file with the Clerk of the Board, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver one or more amendments to site lease, in substantially said form of the First Amendment to Site Lease, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The maximum term of property leased under the Site Lease, as amended by the First Amendment to Site Lease, shall not exceed 34 years from the date of the First Amendment to Site Lease, exclusive of any extension of the term of the lease as provided in the Site Lease.

Section 5. The proposed form of First Amendment to Facility Lease, on file with the Clerk of the Board, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver one or more amendments to facility lease, in substantially said form of the First Amendment to Facility Lease, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the maximum annual additional amount of base rental payable with respect to the Bonds under the Facility Lease, as amended by the First Amendment to Facility Lease, shall not exceed \$22,000,000 and the term of the Facility Lease, as amended, shall not extend beyond the end of the calendar year 2055 (except that the Facility Lease may provide for an extension of up to an additional 10 years to address an abatement event).

Section 6. The proposed form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), by and between the County and the Trustee, on file with the Clerk of the Board, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver one or more Continuing Disclosure Agreements in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The proposed form of Bond Purchase Contract (the “Bond Purchase Contract”) among the Authority, the County and Citigroup Global Markets, Inc.,

as representative of the underwriters (the "Underwriters"), on file with the Clerk of the Board, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to accept the offer of the Underwriters to purchase the Bonds as reflected in the Bond Purchase Contract; and to execute and deliver one or more Bond Purchase Contracts in substantially the form on file with the Clerk of the Board, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract; provided, that the interest rate on the Bonds shall not exceed a true interest cost of three percent (3.0%) per annum, the term of the Bonds shall not exceed thirty-four (34) years from the date of issuance, the underwriting discount (excluding any original issue discount) shall not exceed six tenths of a percent (0.6%) of the principal amount of Bonds sold, and provided further that the refunding of the Prior Bonds shall result in net present value savings of at least three percent (3.0%) of the principal amount of the refunded bonds, and that no maturity of the Prior Bonds shall be refunded if the refunding of such maturity will not produce savings in that year, and the term of the Bonds will not extend beyond the term of the Prior Bonds being refunded.

The County may also sell all or a portion of the Bonds directly to a purchaser (a "Direct Purchaser") pursuant to the form of Forward Delivery Bond Purchase Agreement (the "Direct Purchase Contract") on file with the Clerk of the Board, and which is hereby approved. The Authorized Officers are each hereby authorized and directed,

acting singly, for and in the name and on behalf of the County, to accept the offer of the Direct Purchaser to purchase the Bonds as reflected in the Direct Purchase Contract; and to execute and deliver one or more Direct Purchase Contracts in substantially the form on file with the Clerk of the Board, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Direct Purchase Contract; provided that the Bonds shall be issued in conformity with the true interest cost parameters set forth in the preceding paragraph.

Section 8. The proposed form of Official Statement relating to any Bonds which shall be publicly offered (the “Official Statement”), on file with the Clerk of the Board, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name of and on behalf of the County, to execute and deliver one or more Official Statements in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds (either in printed form or by posting electronically) is hereby approved and the Authorized Officers are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 9. The First Supplemental Trust Agreement is hereby approved in substantially the form presented to this meeting, and the Authority is authorized to deliver one or more supplemental trust agreements, with such changes as the Authority officers executing the same may require or approve upon consultation with the Authorized Officers, the approval thereof to be evidenced by the execution and delivery of such document.

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

The Authorized Officers are each hereby now and in the future authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver, any amendments to the Site Lease or the Facility Lease or other real estate

instruments to the extent which they deem necessary or beneficial to the Authority or the County, including but not limited to the release, purchase, or substitution of real property pursuant to and subject to the terms of the Facility Lease, the Site Lease and the Trust Agreement. The Authorized Officers are authorized to substitute sureties for cash in the debt service reserve fund, and to approve amendments to the Trust Agreement to accommodate such actions, as permitted by the Trust Agreement.

Section 11. The County hereby represents that the proposed financing complies with the provisions of the Debt Management Policy.

Section 12. Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the Governing Board of the Authority will be and on behalf of the County is authorized and directed to cause notices of the proposed sale and final sale of the Bonds and leases to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Section 8855 of the Government Code and to specify that the issuance of the Bonds will be made in compliance with the County's adopted debt policy.

Section 13. The officers and Supervisors of the County are hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby. All consents, approvals, notices, orders, requests and other actions permitted or

required by any of the documents authorized by this Resolution, whether before or after the issuance of the Bonds, including without limitation executing one or more forms of any of the documents presented at this meeting, accepting any deed of property or executing any documents necessary to clarify title or any of the foregoing which may be necessary or desirable in connection with administering the documents or any default under or amendment of such documents or additional confirmations, settlements or revisions, or approval of additional trustees, paying agents or other entities facilitating the transaction may be taken or given by the Authorized Officers without further authorization by this Board, and the Authorized Officers are each hereby authorized and directed to give such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution and the transactions contemplated hereby. The Authorized Officers may, if it is determined to be necessary or desirable, assist the Authority in obtaining bond insurance for all or a portion of the Bonds and/or a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds and/or any and all outstanding bonds issued pursuant to the Trust Agreement. The documents and Bonds authorized herein may be dated such date and the Bonds may be assigned such different series designations, as may be appropriate to indicate when the Bonds are actually sold or delivered or the nature of the Bonds.

Section 14. The Authorized Officers, are hereby authorized and directed, acting singly, to execute and deliver any Certificate of the County or Written Request of the County required to be delivered pursuant to the Trust Agreement, the First

Supplemental Trust Agreement or the Bond Purchase Contract or otherwise as may be necessary or desirable in connection with the financing or the refunding and defeasing the Prior Bonds, including the execution of any escrow instructions, purchase instructions for escrow securities, a letter engaging a duly licensed firm to provide a verification report, or any investment agreement or direction of investment with respect to Bond funds, which investments are hereby authorized to have terms of up to the term of the Bonds.

Section 15. This Resolution shall take effect from and after its adoption.

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CLERK'S CERTIFICATE

I, Sherry Golestan, Deputy 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, or held remotely pursuant to Executive Order N-29-20 of the Governor, and in order to adhere as closely as possible to the orders of the health officials on behalf of the County, with remote access available to the public, on May 18, 2021 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 was posted on the County's website at least 72 hours before said meeting in accordance with Executive Order N-29-20, signed by the Governor of the State of California on March 17, 2020, 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.

WITNESS my hand this ____ day of _____, 2021.

Deputy Clerk of the Board of Supervisors
County of San Mateo