

Debt Disclosure Policies and Procedures

I. General

These Debt Disclosure Policies and Procedures (“Disclosure Policy”) are intended to formally confirm and enhance existing policies and procedures of the County of San Mateo (“**County**”) in order to facilitate compliance with federal securities laws and existing continuing disclosure contracts. The Disclosure Policy is applicable to the County, the San Mateo County Joint Powers Financing Authority and any other related entities of the County that issue bonds and for which the Board of Supervisors of the County (the “Board of Supervisors”) acts as the governing board. All of such related entities are considered to be the “County” for purposes of these policies and procedures.

Failure to comply with this Disclosure Policy shall not create any presumption that the County’s disclosure does not comply with applicable law. Further, any failure to comply by the County shall not affect the authorization or the validity or enforceability of any bonds, notes or other indebtedness that are otherwise issued by the County in accordance with law.

Federal securities laws require accurate and complete disclosure of material facts in the County’s disclosure documents. Under federal securities laws, the County must exercise reasonable care to avoid material misstatements or omissions in preparing Investor Information (see definitions) that is used to sell the County’s bonds in primary offerings. The County may not knowingly or recklessly include material misstatements or misleading statements in other Investor Information while its bonds are outstanding. **Knowledge of any officer or employee of the County as well as information in files of the County may be imputed to the County.**

(i) Specifically, under Section 17(a) of the Securities Act of 1933 (the “Securities Act”), it is unlawful for any person (including the County) in the offer or sale of any securities through means of communication in interstate commerce, for example, to obtain money or property by means of any untrue statement of a material fact or to omit a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

(ii) Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) contains additional anti-fraud provisions. It provides the authority for Securities and Exchange Commission (“SEC”) Rule 10b-5 (17 CFR 240.10b-5 - Employment of manipulative and deceptive devices). Rule 10b-5 prohibits, in connection with the issuance of a municipal security, a municipal issuer from making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. Rule 10b-5 also applies to the distribution by the County of information outside the initial issuance context that is reasonably expected to reach investors and the marketplace for the County’s securities.

(iii) SEC Rule 15c2-12 (§ 240.15c2-12 Municipal securities disclosure) prohibits underwriters from purchasing and selling the County’s bonds unless the underwriter has reasonably determined that the County has made a contractual undertaking to provide certain disclosures prescribed in the rule, including annual financial information, audited financial statements, and Listed Event notices. To facilitate compliance with this rule by the underwriter, the County enters into continuing disclosure

agreements for each transaction, thereby contractually promising to provide the market with these disclosures.

II. Disclosure Coordinator

The Chief Financial Officer of the County shall be the Disclosure Coordinator for the County unless and until the County Manager of the County designates another person (such as a Deputy County Manager or other designee) to serve in the role. Further references to “Chief Financial Officer” refer to the specific responsibilities of the Chief Financial Officer with respect to that role and not to responsibilities of the Disclosure Coordinator. The Disclosure Coordinator shall be responsible for specified duties and activities outlined in this policy, including:

- i. Providing final approval for dissemination of financial statements (including the County’s Comprehensive Annual Financial Reports (“**CAFRs**”)), official statements with respect to bonds of the County, continuing disclosure annual reports, and Listed Event notices as having been reviewed for completeness and accuracy of the information presented therein.
- ii. Coordinating the preparation of disclosure offering documents (including official statements in connection with financings as further described below) and ensuring complete and accurate disclosure of material information regarding the County’s finances, the revenues source securing the bonds to be issued by the County, the project to be financed with such securities, and any other information deemed material by the Financing Group (defined below) established for the issuance of such bonds. The Disclosure Coordinator shall be entitled to rely on the advice of the County Counsel, bond counsel, disclosure counsel, municipal advisors and underwriters in making a determination as to what information is material to making an informed investment decision in the securities to which the disclosure offering document relates. **Note:** *Advice of legal counsel may help to establish that the County exercised reasonable care, but is not a defense to an action where a material fact was not discussed with counsel or was misstated to counsel or where the County did not act on the advice of legal counsel.*
- iii. Arranging periodic disclosure training for County staff tasked with participating in public securities offerings, County staff tasked with monitoring outstanding bonds and other securities or fulfilling the County’s continuing disclosure obligations, and coordinating with other County department directors for the disclosure training of other County staff that participate in preparation of disclosure information for public securities offerings. The current procedures for providing disclosure training are set forth below under “Training”.
- iv. Establishing procedures to ensure the timely preparation, review and filing of continuing disclosure annual reports, including the County’s CAFR. The current continuing disclosure filing procedures are set forth in Attachment 1.
- v. Establishing a procedure for ensuring that other information that is reasonably expected to reach investors and the marketplace for the County’s securities, such as certain information posted on the County’s website, is reviewed so that such information meets the Rule 10b-5 standard. The current procedures for Investor Information of the County are set forth below under “Public Statements Regarding Information Material to County Bond Issues.”

- vi. Monitoring compliance by the County with these Disclosure Policies and updating these Disclosure Policies, as necessary or appropriate.
- vii. The Disclosure Coordinator shall compile and retain a file of the actions taken to prepare, check, and approve offering documents or continuing disclosure filings, including the sources of the information included if not provided by County staff, the comments of the Financing Group provided to the County, any items discussed with outside counsel that were not included in the offering document based on advice of counsel, and any necessary internal approvals.

III. Financing Group

The Disclosure Coordinator shall identify a group of County officials for each public debt offering, *i.e.*, financing (the composition of which may differ for each financing), which shall include other County department director(s) as appropriate, County Counsel or a designated staff attorney and staff from other County departments as needed including a representative from the County Controller's Office and an officer of SAMCERA (the "Financing Group"). The Financing Group shall have responsibilities specified below in connection with the preparation and review of official statements. Outside experts, such as disclosure counsel, municipal advisor, bond counsel and underwriter, will advise the Financing Group in accordance with their regulatory and contractual obligations and limitations.

IV. Preparation, Review and Approval of Official Statements for Financings and Associated Responsibilities

Public debt issuances generally involve the preparation of two offering documents (e.g., official statements), one in preliminary form and one in final form. In some instances, only one official statement in final form is prepared for a debt issuance. The County may be required to supplement or amend the preliminary official statement or the official statement at any time between the time of posting of the preliminary official statement until 25 days after the "end of the underwriting period" (usually the closing date for the bond issuance). In addition, offering documents are periodically prepared for remarketings of outstanding debt (e.g., remarketing statements). All references herein to preliminary official statements and official statements include remarketing statements and similar types of disclosure documents (e.g. placement memorandum).

Process for Official Statements (Including Appendix A).

When Needed. Official statements are prepared for the County's public debt offerings and certain remarketings (remarketing statements) of public debt offerings.

Timeline. The financing schedule for the bond offering or remarketing will be developed to serve as a timeline for producing information for inclusion in the official statement and to afford sufficient time for review and approval by the Financing Group.

Responsibility for Information. Disclosure counsel prepares official statements based on information provided by the County and other sources and with assistance and oversight from the Disclosure Coordinator and County Counsel.

The descriptions of terms of the debt and security and sources of repayment therefor are prepared by bond counsel and disclosure counsel. Bond counsel provides the summaries of the principal legal documents and the form of their approving opinion (typically attached as Appendices). Disclosure counsel provides the form of continuing disclosure agreement (typically attached as an Appendix) and compiles the information for Appendix A (Economic and Demographic Information Regarding the County). The discussion of the tax matters is provided by bond counsel.

The discussion of risk factors is developed with input from the Disclosure Coordinator, County Counsel, disclosure counsel, bond counsel, the County's municipal advisor, and the underwriters and their counsel (if applicable). The discussion of litigation (or the absence thereof) is verified with County Counsel. The County Controller provides the most recent CAFR.

The Disclosure Coordinator coordinates the review and update by the Financing Group of the information relating to the County's finances, outstanding obligations, reserve and investment policies, budget system, accounting policies and related financial information. Information regarding the plan of finance is provided by the Chief Financial Officer in conjunction with the County's municipal advisor. The Disclosure Coordinator will request that an officer at SAMCERA review the information concerning SAMCERA and its pension plans.

Information regarding the underwriters, their role and other relationships and distribution of the securities and any conflicts of interest is provided by the underwriters.

Information regarding the municipal advisor, their duties and any conflicts of interest is provided by the municipal advisor.

Financing Group Approval. Prior to release of the preliminary official statement and official statement for dissemination to prospective investors, the Disclosure Coordinator will have each member of the Financing Group (including Contributors as described below) provide his or her comments and sign off (by email or otherwise in writing) on the sections of the preliminary official statement or official statement provided or reviewed by them. Following this internal sign off process, the Disclosure Coordinator will confirm approval of the preliminary official statement or official statement to County Counsel and disclosure counsel.

Board of Supervisors Approval. The Board of Supervisors shall approve the form of preliminary official statement, subject to such changes as shall be approved by the Chief Financial Officer and/or any other officials named in the authorizing resolution upon the advice of County Counsel and/or disclosure counsel. Approval of the final official statement is similarly delegated.

External Review Process. In addition to the members of the Financing Group, disclosure counsel, bond counsel, underwriters, underwriter's counsel (as applicable) and the County's financial advisor review the preliminary and final official statements and provide comments and sign off before the preliminary official statement and official statement are made available to the investing public.

Documentation of Procedures. To the extent not captured by email correspondence, the Disclosure Coordinator shall compile and retain a file of the actions taken to prepare,

check, and approve the official statement including the primary sources of the information included (if different from above) and the approvals of the Financing Group which may be email approvals. The Disclosure Coordinator shall compile and retain a file of the actions evidencing any waiver or suspension of these procedures.

Responsibilities of the Board of Supervisors. The Board of Supervisors members shall receive a copy of the preliminary official statement prior to its distribution. The SEC has issued guidance as to the duties of the Board of Supervisors with respect to its approval of a preliminary official statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) ("**Orange County Release**"), the SEC indicated that, if a member of [the legislative body of a municipal entity] has knowledge of any facts or circumstances that an investor would want to know about prior to investing in bonds to be issued by the [municipal entity], whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the preliminary official statement. In the Orange County Release, the SEC indicated that the steps that a member of [the legislative body of a municipal entity] could take include becoming familiar with the preliminary official statement and questioning their staff and consultants about the disclosure of such facts. If [the legislative body of a municipal entity] concludes that the preliminary official statement includes all facts that would be material to an investor in the bonds to be issued by the [municipal entity], it shall adopt a resolution that authorizes staff of the [municipal entity] to execute a certificate to the effect that the preliminary official statement has been "deemed final."

Responsibilities of Financing Group. The Financing Group shall provide the required information for and review drafts of an official statement prior to it being finalized as described above. More specifically:

- (i) The Financing Group will determine (with input from the County's municipal advisor and disclosure counsel and, in the case of a negotiated offering, the County's underwriters) what information should be disclosed in the official statement to present fairly a description of the source of repayment and security for the securities being offered. While the information included in the last offering document may be used as a starting point, the Financing Group should be encouraged to provide suggestions for improvement and not assume the last offering document represents a complete compilation of what is required for complete and accurate disclosure in the present bond offering.
- (ii) The Financing Group shall identify persons, if any, assigned to assist with the review or preparation of an official statement that are not members of the Financing Group ("Contributors") who: (a) shall prepare portions of the official statement dealing with their respective areas of expertise as such expertise relates to material information that should be disclosed in the official statement, (b) may have information necessary to prepare portions of the official statement, or (c) should review portions of the official statement in order to ensure that there are no misstatements or omissions of material facts. A Contributor may be another County department director and/or staff designated by that department director. Contributors should be informed by the Disclosure Coordinator of the applicable requirements of federal securities law.

Responsibilities of Contributors. A Contributor shall assist in reviewing and preparing the official statement using Contributor's knowledge of the County and, if appropriate, by discussing the official statement with other members of the Contributor's department, all for the purpose of ensuring the accuracy of the relevant portions of the official statement.

Responsibilities of County Counsel. County Counsel, or a designee, shall review the official statement and shall draft for the official statement descriptions of: (i) any material current, pending or threatened litigation, (ii) any material settlements or court orders, and (iii) any other legal actions or issues (including actions instituted by the County) that are, or that may contain, material information for purposes of the official statement.

Responsibilities of Chief Financial Officer. The Chief Financial Officer, or designee, shall review the official statement, identify any material difference in presentation of financial information from the financial statements and ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the Chief Financial Officer, or the Chief Financial Officer's staff, or of relevance to the finances of the County.

In addition, the Chief Financial Officer, or designee, shall determine whether the County's then-available financial statements are appropriate to be included in the official statement and whether any consents are required for their inclusion.

Responsibilities of Disclosure Coordinator. The Disclosure Coordinator shall submit all preliminary official statements to the Board of Supervisors for approval. The approval of a preliminary official statement by the Board of Supervisors shall be docketed as a new business matter and shall not be approved as a consent item. Each staff administrative report seeking Board of Supervisors approval of a securities transaction with a preliminary official statement shall summarize the responsibilities of the Board of Supervisors with respect to the preliminary official statement but does not need to include the full text of the preceding paragraph entitled "Responsibilities of the Board of Supervisors."

V. Continuing Disclosure Filings

Pursuant to the continuing disclosure undertakings that the County has entered into in connection with its bond offerings, the County is contractually required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") system in accordance with such undertakings. Such contracts require that the annual reports include certain updated financial and operating information, and the County's audited financial statements (or if they are not available, the County's unaudited financial statements). The County is also required under its continuing disclosure undertakings to file notices of certain Listed Events with EMMA.

The procedures for the County to file with respect to its contractual continuing disclosure obligations are set forth in Attachment 1 to this Disclosure Policy.

VI. Public Statements Regarding Information Material to County Bond Issues

The Disclosure Coordinator is not required to review all public statements made by officials of the County. However, whenever the County makes statements or releases information that

would be material to an investor in the County's bonds (e.g., could have a material impact on the ability of the County to repay one of more of its bond issues) and that is intended (or reasonably can be expected) to be accessible to and relied upon by investors or potential investors in the County's bonds, the County is obligated to ensure that such statements and information are complete, true, and accurate in all material respects. The County can minimize (although not eliminate) the risk of materially inaccurate Investor Information if it files current comprehensive disclosure information on EMMA in accordance with this Disclosure Policy. In addition, to the extent that the Disclosure Coordinator becomes aware of a materially inaccurate public statement made by an official of the County reasonably accessible to and material to investors, the Disclosure Coordinator shall attempt to have such information publicly corrected.

VII. Training

The Disclosure Coordinator shall ensure that the members of the County staff involved in the initial or continuing disclosure reporting process are properly trained to understand and perform their responsibilities. Each member of the Board of Supervisors shall participate in a disclosure training session as deemed appropriate by the Disclosure Coordinator.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by counsel qualified to serve as disclosure counsel to the County. Such training sessions shall include the County's disclosure obligations under applicable federal and state securities laws as well as the County's contractual obligations related to continuing disclosure. The training sessions should also include the disclosure responsibilities and potential liabilities of members of the County's staff and members of the Board of Supervisors (as applicable) as well as education on this Disclosure Policy. Such training sessions may be conducted using recorded presentations.

VIII. Dissemination of Disclosure Procedures

The Disclosure Coordinator shall distribute a copy of these Disclosure Procedures at least annually to Financing Group members and any Contributors.

The Disclosure Coordinator shall distribute a copy of these Disclosure Procedures when updated to Financing Group members and any Contributors.

IX. Updates to Disclosure Policy

The Disclosure Policy shall be reviewed annually by the Disclosure Coordinator. In addition, at any time all officers and employees of the County are invited and encouraged to make recommendations for changes to this Disclosure Policy so that it fosters better compliance with applicable law, results in better information to investors, or makes the procedures required by this Disclosure Policy more efficient.

The Disclosure Coordinator shall consider its review and any recommendation and advice received from officers and employees of the County and determine whether to propose a change to this Disclosure Policy.

X. Definitions

“bonds” means bonds, notes, certificates of obligation, certificates of participation, and other debt obligations or securities of the County, or the payment of which the County is obligated to

support by a lease, contract, or other arrangement, that are sold to or otherwise held or traded in by the public.

“Investor Information” means any statement or other communication that is intended (or reasonably can be expected) to be accessible to and relied upon by investors in the County’s bonds, including, as applicable:

(a) preliminary and final official statements and other documents by which securities are offered to the public by the County as well as solicitation statements by which the County offers to purchase its bonds or requests consents or waivers regarding bonds;

(b) financial and operating data and Listed Event notices filed with the MSRB through EMMA pursuant to a continuing disclosure agreement;

(c) other information filed with the MSRB through EMMA;

(d) information uploaded or linked or posted to any investor information section of the County’s website; and

(e) press releases and other formal statements of the County that are reasonably accessible by investors and that include information that is material to the County’s ability to repay its bonds in accordance with their terms.

“obligated person” means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in an offering. For example, for bonds issued by the San Mateo County Joint Powers Financing Authority, the County of San Mateo is generally the obligated person on the bonds by virtue of a lease agreement or similar arrangement.

XI. Miscellaneous

This Disclosure Policy is intended for the internal use of the County only and is not intended to establish any duties in favor of or rights of any person other than the County.

The officers and employees charged by this Disclosure Policy with performing or refraining from any action may depart from this Disclosure Policy when they and the Disclosure Coordinator in good faith determine that such departure is in the best interests of the County and consistent with the duties of the County under federal and state securities laws or the contractual disclosure obligations of the County. Any such departure undertaken solely by the Disclosure Coordinator shall require approval of County Counsel.

ATTACHMENT 1

Continuing Disclosure Filings Procedures

Under the continuing disclosure undertakings that the County has entered into in connection with its bond offerings, the County is contractually required each year to file annual reports with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("**EMMA**") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information specified in each continuing disclosure undertaking, and the County's audited financial statements (or if they are not available, the County's unaudited financial statements). The County is also required under its continuing disclosure undertakings to file notices of certain Listed Events with EMMA.

Disclosure-Dissemination Agent

The County or a designated agent will provide continuing disclosure documents to EMMA (<http://dataport.emma.msrb.org>). The County has retained Key Analytics to provide disclosure-dissemination agent services and may, in its discretion, retain other designated agents to provide these services. Continuing disclosure documents, which include the annual financial report (containing annual financial statements and other financial and operating data of the County) and event notices as well as any voluntary disclosures the County may determine to make will be posted to the EMMA website by the County or the County's agent.

Annual Financial Information

The Annual Disclosure Compliance Group for annual financial information and operating data (the "Annual Filing") to be filed with the MSRB pursuant to its continuing disclosure undertakings shall consist of the following officers and employees of the County:

Chief Financial Officer
County Counsel
Disclosure Coordinator (if not listed above)

The Disclosure Coordinator shall (a) cause the following to be compiled and maintained and updated after every issuance or defeasance of bonds a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the continuing disclosure undertaking of the County; (b) assign responsibilities to officers and employees for periodically assembling and verifying the data; (c) request that they assemble, verify, and forward the data to the Disclosure Coordinator and notify the Disclosure Coordinator if they have learned of any other fact that they consider to be material with respect to the information provided; and (d) establish a schedule for producing the data (and the Annual Filing document) that will afford sufficient time for final review by the Annual Disclosure Compliance Group and the Disclosure Coordinator. The Disclosure Coordinator shall distribute drafts of the Annual Filing to the Annual Disclosure Compliance Group for review together with a description of the process used to compile it.

The members of the Annual Disclosure Compliance Group shall review the Annual Filing drafts and Disclosure Coordinator's process description to determine (and shall report to the Disclosure Coordinator as to) whether, based on information known or reported to them, (a) this Disclosure Policy was followed, (b) the material facts in the Annual Filing appear to be consistent with those known to the members of the Annual Disclosure Compliance Group, and (c) the Annual

Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Coordinator shall take such action as may be necessary, based on feedback from the Annual Disclosure Compliance Group, to enable the Annual Disclosure Compliance Group to conclude that this Disclosure Policy was followed and that the Annual Filing is accurate and complete in all material respects.

The Annual Disclosure Compliance Group shall approve the final draft of the Annual Filing.

The Disclosure Coordinator shall cause the County's dissemination agent to file the Annual Filing with the MSRB through EMMA by the deadline established by each continuing disclosure undertaking of the County.

Listed Event Notices

The list of Listed Events applicable to continuing disclosure undertakings executed on or after February 27, 2019 is attached hereto as Exhibit A. Listed Events are required to be filed with EMMA within 10 business days following their occurrence.

The County Manager, County Counsel and Chief Financial Officer shall notify the Disclosure Coordinator immediately after learning of any Listed Event, regardless of materiality.

The Disclosure Coordinator shall consult with disclosure counsel and the County Counsel to determine if a Listed Event is material, if materiality is a requirement.

The Chief Financial Officer and County Counsel shall promptly review and approve or comment on the Listed Event notice. The Disclosure Coordinator shall incorporate such comments into the Listed Event notice to be filed with EMMA. The Disclosure Coordinator shall not file the Listed Event notice until it is approved by the County Counsel, unless the Listed Event notice (a) gives notice of a rating change, bond call, or defeasance or (b) such approval has not been received by the applicable filing deadline (10 business days).

The Disclosure Coordinator shall cause the Listed Event notice to be filed with the MSRB through EMMA within 10 business days or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible.

EXHIBIT A

LISTED EVENTS

For securities, subject to Rule 15c2-12, issued on or after February 27, 2019, or for variable rate demand bonds that are converted from a mode currently exempted from Rule 15c2-12 to a mode not so exempted, the occurrence of the following events for the County trigger the requirement to file on EMMA, within ten (10) business days of their occurrence, in certain cases as indicated depending on the materiality of the event (which shall be determined as provided in the Disclosure Policy for those Listed Events where it is applicable):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or the providers failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or material events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders, if material;
8. Bond Calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person; For purposes of this event, it is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;
13. Consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

For purposes of this Exhibit A, the term, "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in SEC Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

The County will amend this Exhibit A from time to time as required in order to accurately reflect the requirements of Rule 15c2-12.