

BOND PURCHASE CONTRACT

\$[_____]
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY
Lease Revenue Bonds
(Capital Projects)
2009 Refunding Series A

[November __, 2009]

Governing Board
San Mateo County Joint Powers Financing Authority

Board of Supervisors
County of San Mateo

Ladies and Gentlemen:

Wedbush Securities Inc. and E.J. De La Rosa & Co., Inc., as underwriters (collectively, the “Underwriters”) do hereby offer to enter into this Purchase Contract (the “Purchase Contract”) with you, the San Mateo County Joint Powers Financing Authority (the “Authority”) and the County of San Mateo (the “County”), for the purchase by the Underwriters of the \$[_____] aggregate principal amount of the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A (the “2009 Bonds”), which will be issued pursuant to a Trust Agreement, dated as of April 15, 1994, as supplemented from time to time, including as supplemented by the Sixth Supplemental Trust Agreement, dated as of December 1, 2009 (collectively, the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). The Representative has been duly authorized to execute this Purchase Contract and to take any action hereunder by and on behalf of the Underwriters. This offer is made subject to acceptance by the Authority and the County prior to 11:59 p.m., California time, on the date hereof. If this offer is not so accepted, this offer will be subject to withdrawal by the Underwriters upon notice delivered to the Authority and the County at any time prior to acceptance. Upon acceptance, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the County and the Underwriters. Capitalized terms used herein not otherwise defined herein shall have the meanings set forth in the Official Statement (hereinafter defined).

1. Purchase, Sale and Delivery of the 2009 Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase and the Authority agrees to sell to the Underwriters all (but not less than all) of the 2009 Bonds, in the aggregate principal amount of \$[_____]. The 2009 Bonds are payable solely from, and secured solely by, Revenues of the

Authority, consisting primarily of certain rental payments (“Base Rental Payments”) to be made by the County pursuant to, and as defined in, the Master Facility Lease, dated as of April 15, 1994, as amended from time to time, including as amended by the Fourth Amendment to the Master Facility Lease, dated as of September 1, 2001 (collectively, the “Master Facility Lease”), by and between the Authority and the County.

The 2009 Bonds shall be substantially in the form described in, and shall be issued and secured under and pursuant to, and shall be payable and subject to redemption as provided in, the Trust Agreement. The 2009 Bonds shall be dated the date of delivery thereof and shall mature on the dates and in the amounts set forth on Schedule I attached hereto. Interest on the 2009 Bonds shall be payable semiannually on January 15 and July 15 of each year, commencing on January 15, 2010.

The Base Rental Payments to be made by the County pursuant to the Master Facility Lease are payable by the County from its General Fund to the Authority for the right to use and possession by the County of certain real property and facilities located within the County (the “Leased Property”). The County has covenanted under the Master Facility Lease that it will take such action as may be necessary to include the Base Rental Payments in its annual budgets and to make the necessary annual appropriations therefor. The 2009 Bonds are secured by a pledge of and charge and lien upon the Revenues.

Pursuant to a Master Site Lease, dated as of April 15, 1994, as amended from time to time, including as amended by the Fourth Amendment to the Master Facility Lease, dated as of September 1, 2001 (collectively, the “Master Site Lease”), between the County and the Authority, the County leased to the Authority certain of the real property upon which the Leased Property is located.

The 2009 Bonds are being issued for the purposes of refunding approximately \$[_____] principal amount of the Authority’s outstanding Lease Revenue Bonds (Capital Projects), 1997 Series A (the “1997 Bonds”), and the Authority’s outstanding Lease Revenue Bonds (Capital Projects), 1999 Refunding Series A (the “1999 Bonds,” and, together with the 1997 Bonds, the “Prior Bonds”).

The County will undertake, pursuant to the Trust Agreement and a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), to be dated the Closing Date (as hereinafter defined), to provide annual reports and notices of certain events relating to the 2009 Bonds. A description of this undertaking is set forth in the Preliminary Official Statement and the Official Statement (both terms as defined below).

The Authority and the County have heretofore delivered to the Underwriters a Preliminary Official Statement, dated [November __, 2009] relating to the 2009 Bonds (as supplemented or amended with the consent of the Underwriters, the “Preliminary Official Statement”), that the Authority and the County have deemed final as of its date in accordance with paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”). The Authority and the County shall deliver or cause to be delivered to the Underwriters, within seven (7) business days from the date hereof, copies of an official statement relating to the 2009 Bonds executed on behalf of and

approved for distribution by the Authority and the County in the form of the Preliminary Official Statement, as amended to conform to the terms of this Purchase Contract and to reflect the reoffering terms of the 2009 Bonds and with such other changes as shall have been consented to by the Authority, the County and the Underwriters (the "Official Statement"). The Authority and the County shall deliver the Official Statement at the Authority's sole cost, at such address as the Underwriters shall specify, and in such quantities as the Underwriters may request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. The Authority and the County hereby approve the distribution of the Official Statement and authorize the use of copies of the Official Statement and the documents referred to therein in connection with the offering and sale of the 2009 Bonds by the Underwriters.

(b) (b) The Underwriters shall pay to the Authority as the purchase price for the 2009 Bonds \$[_____] (representing the \$[_____] aggregate principal amount of the 2009 Bonds, less an Underwriters' discount of \$[_____] , plus a net original issue premium of \$[_____]).

(c) At 8:00 a.m., California time, on [December 11, 2009], or at such other time or on such other date as the Authority, the County and the Underwriters mutually agree upon (the "Closing Date"), the Authority will deliver or cause to be delivered to the Underwriters, the 2009 Bonds (delivered through the book-entry system of The Depository Trust Company ("DTC")), duly executed, and at the offices of Orrick, Herrington & Sutcliffe LLP, 405 Howard Street, San Francisco, California 94105, or at such other place as the Authority, the County and the Underwriters shall have mutually agreed upon, the other documents mentioned herein. The Underwriters will accept such delivery and pay the purchase price(s) of the 2009 Bonds as set forth in subparagraph (b) above in immediately available funds (such delivery and payment being herein referred to as the "Closing") payable to the order of the Trustee in an amount equal to \$[_____].

(d) The Underwriters agree to make a bona fide public offering of the 2009 Bonds at the initial offering prices set forth in the Official Statement, which prices may be changed from time to time by the Underwriters after such offering. The Authority hereby authorizes the Underwriters to use the forms or copies of the Official Statement, the Trust Agreement, the Master Facility Lease, the Master Site Lease and all other documents referred to in the Official Statement and the information contained in each of the foregoing in connection with the public offering and sale of the 2009 Bonds.

2. Representations, Warranties and Agreements of the Authority. The Authority hereby represents, warrants and agrees with the Underwriters as follows:

(a) The Authority is, and will be on the Closing Date a joint exercise of powers agency duly organized and validly existing pursuant to the Constitution and laws of the State of California with the full power and authority to issue the 2009 Bonds, to execute and deliver the Official Statement, to enter into this Purchase Contract, the Trust Agreement and the Continuing Disclosure Agreement. The Trust Agreement, the Master

Facility Lease, the Master Site Lease and the Continuing Disclosure Agreement are collectively known as the “Financing Documents”;

(b) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Financing Documents to be executed by it and the consummation by it of all other transactions contemplated by the Official Statement and this Purchase Contract;

(c) To the best knowledge of the Authority, the execution and delivery of the Financing Documents to which it is a party, this Purchase Contract and the Official Statement, and compliance with the provisions on the Authority’s part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Financing Documents;

(d) To the best knowledge of the Authority, the Authority is not in any material respect in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a default or an event of default under any such instrument;

(e) To the best knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority in any material respect affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the 2009 Bonds or the payment of Base Rental Payments or in any way contesting or affecting the validity or enforceability of the 2009 Bonds, the Financing Documents to which the Authority is a party or this Purchase Contract or contesting the powers of the Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Financing Documents to be executed by it or this Purchase Contract;

(f) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to qualify the 2009 Bonds for offer and sale under the blue

(g) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the 2009 Bonds, the statements contained in the Official Statement under the caption “THE AUTHORITY” did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, an event occurs which might or would cause the information contained in the Official Statement under the caption “THE AUTHORITY” as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Underwriters, and, if in the opinion of the Authority, the Underwriters or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will forthwith prepare and furnish to the Underwriters (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, the Authority will furnish such information with respect to itself as the Underwriters may from time to time reasonably request;

(i) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (i) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, the portions of the Official Statement under the caption “THE AUTHORITY” so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

(j) As used herein and for the purposes of the foregoing, the term “End of the Underwriting Period” for the 2009 Bonds shall mean the earlier of (i) the Closing Date or (ii) the date on which the End of the Underwriting Period for the 2009 Bonds has occurred under Rule 15c2-12, as specified as such in a notice from the Underwriters stating the date which is the End of the Underwriting Period.

3. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriters as follows:

(a) The County is and will be on the Closing Date a political subdivision of the State of California organized and operating pursuant to the laws of the State of California with full power and authority to execute and deliver the Official Statement, and to enter into this Purchase Contract and the Financing Documents to be executed by it;

(b) By official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized and approved the execution and delivery of, and the performance by the County of the obligations on its part contained in, the Financing Documents to be executed by it and the consummation by it of all other transactions contemplated by the Official Statement and this Purchase Contract;

(c) To the best knowledge of the County, the execution and delivery of the Financing Documents to be executed by it, this Purchase Contract and the Official Statement, and compliance with the provisions on the County’s part contained herein and therein, will not in any material respect conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the County under the terms of any such law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note resolution, agreement or other instrument, except as provided in the Financing Documents;

(d) To the best knowledge of the County, the County is not in any material respect in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a default or an event of default under any such instrument;

(e) To the best knowledge of the County, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County in any material respect affecting the existence of the County or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the 2009 Bonds

or the payment of Base Rental Payments or in any way contesting or affecting the validity or enforceability of the 2009 Bonds, the Financing Documents to which the County is a party or this Purchase Contract or contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Financing Documents to be executed by it or this Purchase Contract;

(f) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to qualify the 2009 Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and will use its best efforts to continue such qualification in effect so long as required for distribution of the 2009 Bonds; provided, however, that in no event shall the County be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject;

(g) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the 2009 Bonds, the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING," Table 13 entitled "County of San Mateo Direct and Overlapping Debt as of October 1, 2009" and APPENDIX A- "ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO") did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, an event occurs which might or would cause the information contained in the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING," Table 13 entitled "County of San Mateo Direct and Overlapping Debt as of October 1, 2009" and APPENDIX A-"ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO"), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Underwriters, and, if in the opinion of the Underwriters, the County or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriters (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or

omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, the County will furnish such information with respect to itself as the Underwriters may from time to time reasonably request;

(i) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (i) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the 2009 Bonds, the portions of the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption “UNDERWRITING,” Table 13 entitled “County of San Mateo Direct and Overlapping Debt as of October 1, 2009” and APPENDIX A- “ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO”) so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

(j) As used herein and for the purposes of the foregoing, the term “End of the Underwriting Period” for the 2009 Bonds shall mean the earlier of (i) the Closing Date or (ii) the date on which the End of the Underwriting Period for the 2009 Bonds has occurred under Rule 15c2-12, as specified as such in a notice from the Underwriters stating the date which is the End of the Underwriting Period; and

(k) Between the date of this Purchase Contract and the Closing Date, the County will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent other than in the ordinary course of its business or as disclosed in the Official Statement.

4. Conditions to the Obligations of the Underwriters.

The Underwriters hereby enter into this Purchase Contract in reliance upon the representations and warranties of the Authority and the County contained herein and the representations and warranties of the Authority and the County to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the County of their obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriters’ obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the 2009 Bonds shall be subject, at the option of the Underwriters, to the accuracy in all material respects of the representations and warranties of the Authority and the County contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the County and the Authority made in any certificate or other document furnished pursuant to the provisions hereof,

to the performance by the Authority and the County of their respective obligations to be performed hereunder and under the Financing Documents at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriters shall receive, prior to the Closing Date and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the Official Statement, in such reasonable quantity as the Underwriters shall have requested;

(b) At the Closing, the Financing Documents, shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Authority and the County, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the Governing Board of the Authority and the Board of Supervisors of the County as, in the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), shall be necessary or appropriate in connection with the transactions contemplated hereby;

(c) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering price set forth in the Official Statement, of the 2009 Bonds shall not have been materially adversely affected, in the judgment of the Underwriters (evidenced by a written notice to the Authority and the County terminating the obligation of the Underwriters to accept delivery of and make any payment for the 2009 Bonds), by reason of any of the following:

(1) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Chairman or ranking minority member of the Committee on Ways and Means of the House of Representatives or the Chairman or ranking minority member of the Committee on Finance of the Senate, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon moneys that would be received by the Authority or the County or Base Rental Payments that would be received by the Trustee under the Trust Agreement or upon interest on the 2009 Bonds that would be received by the Bondowners;

(2) there shall have occurred any new outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, calamity or crisis, the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriters, impracticable or inadvisable to proceed with the offering and delivery of the 2009 Bonds;

(3) a general banking moratorium shall have been declared by Federal, New York or California authorities having jurisdiction and shall be in force;

(4) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force 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;

(5) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the 2009 Bonds, or the 2009 Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or that the execution, offering or sale of obligations of the general character of the 2009 Bonds, or of the 2009 Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the 2009 Bonds by a national rating agency or the placing of the 2009 Bonds on credit watch or under review of any such rating agency that has assigned a rating to the 2009 Bonds; or

(7) any event occurring, or information becoming known which, in the judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect of causing the Official Statement to contain any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(d) At or prior to the Closing Date, the Underwriters shall have received the following documents, in each case satisfactory in form and substance to the Underwriters:

(1) Two copies of the Financing Documents, each duly executed and delivered by the respective parties thereto;

(2) The approving opinion, dated the Closing Date and addressed to the Authority and the County, of Bond Counsel in substantially the form attached

to the Official Statement, and a letter of such counsel, dated the Closing Date and addressed to the Underwriters to the effect that such opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them;

(3) The supplemental opinion, dated the Closing Date and addressed to the Underwriters, of Bond Counsel, substantially to the effect that (i) this Purchase Contract has been duly executed and delivered, as appropriate, by the Authority and/or the County and (assuming due authorization, execution and delivery by and validity with respect to the respective parties thereto) constitutes the valid and binding obligation of the Authority and the County, subject to bankruptcy or other laws affecting creditors' rights, the exercise of judicial discretion, the application of equitable principles, and the limitations on legal remedies against public agencies in the State of California, and no opinion is expressed with respect to any indemnification or contribution provisions herein; (ii) the 2009 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the statements contained in the Official Statement under the captions "THE 2009 BONDS," "SECURITY FOR THE 2009 BONDS," "TAX MATTERS," APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS" and APPENDIX E – "PROPOSED FORM OF OPINION OF BOND COUNSEL" insofar as such statements purport to summarize certain provisions of the Financing Documents and Bond Counsel's opinion concerning certain federal tax matters relating to the 2009 Bonds, are accurate in all material respects;

(4) The defeasance opinion of Bond Counsel relating to the defeasance of the Prior Bonds, dated the Closing Date and addressed to the Authority, the County and the Trustee, in form and substance satisfactory to the Underwriters;

(5) The opinion of the counsel for the Authority, dated the Closing Date and addressed to the Underwriters, to the effect that (i) the Authority is a joint exercise of powers agency organized under the laws of the State of California; (ii) the resolution of the Authority approving and authorizing the execution and delivery by the Authority of the Financing Documents to which it is a party, this Purchase Contract and the Official Statement (the "Resolution") was duly adopted at a meeting of the Governing Board of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (iii) to the best knowledge of such counsel, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against the Authority, to restrain or enjoin the Base Rental Payments under the Master Facility Lease, or in any way contesting or affecting the validity of the 2009 Bonds, the Financing Documents or this Purchase Contract; (iv) the execution and delivery of the Financing Documents to which the Authority is a party, this Purchase Contract and the Official Statement, the adoption of the Resolution, and compliance by the Authority with the provisions of the foregoing, under the

circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any agreement or other instrument to which the Authority is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or, to the best knowledge of such counsel, any existing law, regulation, court order or consent decree to which the Authority is subject (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law); (v) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Authority is required for the valid authorization, execution, delivery and performance by the Authority of the Financing Documents to which the Authority is a party, the Official Statement or this Purchase Contract or for the adoption of the Resolution which has not been obtained; and (vi) the information contained in the Official Statement under the caption "THE AUTHORITY" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(6) The opinion, dated the Closing Date and addressed to the Underwriters, the Authority and the County, of Counsel to the Trustee, in substantially the form of Exhibit A hereto;

(7) The opinion of counsel to the County, dated the Closing Date and addressed to the Underwriters, to the effect that (i) the County is a political subdivision of the State of California organized and operating pursuant to the Constitution and laws of the State of California; (ii) the resolution or resolutions of the County approving and authorizing the execution and delivery by the County of the Financing Documents to which it is a party, this Purchase Contract and the Official Statement (the "County Resolution") were duly adopted at meetings of the Board of Supervisors of the County which were called and held pursuant to law and with all public notice required by law and at which a quorum was present acting throughout; (iii) to the best knowledge of such counsel, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against the County, to restrain or enjoin the Base Rental Payments under the Master Facility Lease, or in any way contesting or affecting the validity of the 2009 Bonds, the Financing Documents or this Purchase Contract; (iv) the execution and delivery of the Financing Documents to which the County is a party, this Purchase Contract and the Official Statement, the adoption of the County Resolution, and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or, to the best knowledge of such

counsel, any existing law, regulation, court order or consent decree to which the County is subject (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law); (v) no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the County is required for the valid authorization, execution, delivery and the performance by the County of the Financing Documents to which the County is a party, the Official Statement or this Purchase Contract or for the adoption of the County Resolution which has not been obtained; and (vi) the information contained in the Official Statement under the captions "THE COUNTY OF SAN MATEO," "COUNTY FINANCIAL INFORMATION," "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" and "LITIGATION" (excluding therefrom financial statements and statistical data, as to which no opinion need be expressed) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) The opinion, dated the Closing Date and addressed to the Underwriters, of Sidley Austin LLP, San Francisco, California, counsel for the Underwriters ("Underwriters' Counsel") to the effect that (a) the 2009 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended and (b) without passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and making no representation that they have independently verified the accuracy, completeness or fairness of any such statements, based upon the information made available to them in the course of their participation in the preparation of the Official Statement as counsel for the Underwriters, nothing has come to their attention which would lead them to believe that the Official Statement as of its date and as of the date of such opinion (excluding therefrom financial statements and statistical data and DTC and the book-entry system and the Appendices thereto, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(9) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the Authority satisfactory to the Underwriters, in form and substance satisfactory to the Underwriters, to the effect that, to the best of such official's knowledge, (a) the representations and warranties of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (b) except as disclosed in the Official Statement, no litigation is pending or threatened against the Authority (i) to restrain or enjoin the issuance, sale or delivery of any of the 2009 Bonds or the payment of Base Rental Payments under the Master Facility Lease, (ii) in any way contesting or affecting the validity of

the 2009 Bonds, this Purchase Contract, the Financing Documents to which the Authority is a party, or (iii) in any way contesting the existence or powers of the Authority; and (c) no event affecting the Authority has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement under the caption “THE AUTHORITY” or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein under the caption “THE AUTHORITY” not misleading in any material respect;

(10) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the County satisfactory to the Underwriters, in form and substance satisfactory to the Underwriters, to the effect that, to the best of such official’s knowledge, (a) the representations and warranties of the County contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (b) except as disclosed in the Official Statement, no litigation is pending or threatened against the County (i) to restrain or enjoin the issuance, sale or delivery of the 2009 Bonds or the payment of the Base Rental Payments under the Master Facility Lease; (ii) in any way contesting or affecting the validity of the 2009 Bonds, this Purchase Contract or the Financing Documents to which the County is a party; or (iii) in any way contesting the existence or powers of the County; and (c) no event affecting the County has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement relating to the County (excluding therefrom information relating to DTC and the book-entry system, the information under the caption “UNDERWRITING,” Table 13 entitled “County of San Mateo Direct and Overlapping Debt as of October 1, 2009” and APPENDIX A-“ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO”) or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein relating to the County not misleading in any material respect;

(11) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Underwriters, to the effect that:

(a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement;

(b) the Trustee is duly authorized to enter into the Trust Agreement and the Trustee has duly executed and delivered the Trust Agreement;

(c) the execution and delivery of the Trust Agreement and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the Trust Agreement under the terms of any such law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trust Agreement;

(d) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, as such but not in its individual capacity, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Revenues to be applied to pay the principal, premium, if any, and interest on the 2009 Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Agreement, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement;

(12) The Preliminary Official Statement, a certificate pursuant to Rule 15c2-12 related to the Preliminary Official Statement and the Official Statement, executed on behalf of the Authority and the County by authorized representatives thereof;

(13) Two certified copies of the general resolution of by-laws of the Trustee authorizing the execution and delivery of the Trust Agreement;

(14) Two certified copies of the Resolution of the Authority authorizing the execution and delivery of the Financing Documents to which the Authority is a party, the Official Statement and this Purchase Contract;

(15) Two certified copies of the County Resolution authorizing the execution and delivery of the Financing Documents to which the County is a party, the Official Statement and this Purchase Contract;

(16) Evidence that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(17) A copy of the Blanket Letter of Representation to DTC relating to the 2009 Bonds signed by DTC and the Authority;

(18) Arbitrage and tax certifications by the Authority in form and substance acceptable to Bond Counsel and the Underwriters;

(19) [Verification report of Grant Thornton LLP related to the defeasance of the Prior Bonds, dated the Closing Date, in form and substance acceptable to the Underwriters, the Authority, the County and Bond Counsel];

(20) Evidence of title to the Leased Property satisfactory to the Underwriters;

(21) [title insurance policy]; and

(22) Such additional legal opinions, certificates, proceedings, instruments, title insurance, other insurance policies or evidences thereof and other documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations of the Authority and the County herein and of the statements and information contained in the Official Statement, and the due performance or satisfaction by the Trustee, the Authority and the County at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by any of them in connection with the transactions contemplated hereby and by the Financing Documents.

If the Authority or the County shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Contract or if the Underwriters' obligations shall be terminated for any reason permitted herein, all obligations of the Underwriters hereunder may be terminated by the Underwriters at, or at any time prior to, the Closing Date by written notice to the County and the Authority and neither the Underwriters nor the Authority or County shall have any further obligations hereunder. In the event that the Underwriters fail (other than for a reason permitted by this Purchase Contract) to accept and pay for the 2009 Bonds at the Closing, the amount of one percent (1%) of the aggregate principal amount of the 2009 Bonds shall be payable by the Underwriters as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters and the acceptance of such amount shall constitute a full release and discharge of all claims and rights of the Authority or County against the Underwriters.

5. Indemnification.

(a) The Authority, to the extent permitted by law, agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls the Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims damages and liabilities (or actions in

respect thereof) which arise out of or are based upon (i) the failure to register any security under the Securities Act or to qualify any indenture under the Trust Indenture Act in connection with the offering of the 2009 Bonds; or (ii) any untrue statement or alleged untrue statement of a material fact contained in or included by cross-reference in the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING," Table [13] entitled "County of San Mateo Direct and Overlapping Debt as of October 1, 2009," APPENDIX A - "ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO"), or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and will reimburse the Underwriters for any legal or other expenses, reasonably incurred by the Underwriters in connection with investigating or defending any such action or claim as such expenses are incurred; provided, that the Authority shall not indemnify, hold harmless or reimburse the Underwriters for any losses, claims, damages or liabilities (or actions in respect thereof) which are attributable to the negligence or willful misconduct of the Underwriters.

(b) In case any action shall be brought against the Underwriters or any person controlling the Underwriters, in respect of which indemnity may be sought against the Authority, the Underwriters shall, as a condition to the above indemnity, promptly notify the Authority in writing, but the failure to so notify the Authority (i) will not relieve the Authority from liability under paragraph (a) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the Authority of substantial rights and defenses and (ii) will not, in any event, relieve the Authority from any obligations to the Underwriters other than as provided under paragraph (a) above. The Authority shall assume the defense thereof, including the employment of counsel and payment of all expenses. The Underwriters or any such controlling person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Underwriters or controlling person, as the case may be, unless (i) the employment of such counsel has been specifically authorized by the Authority in writing prior to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include the Underwriters or such controlling person and the Authority, and the Underwriters or such controlling person, as the case may be, shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Authority and that joint representation may be inappropriate under professional standards, in which case the Authority shall not have the right to assume the defense of such action on behalf of the Underwriters or such controlling person, as the case may be, it being understood, however, the Authority shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Underwriters (including controlling persons), and any such firm shall be designated in writing by the Underwriters and consented to by the Authority, which consent shall not be unreasonably delayed or withheld. If there shall be a final judgment for the plaintiff in any such action, and such

(c) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Authority on the one hand and the Underwriters on the other from the offering of the 2009 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (b), then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Authority on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Authority bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Authority and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (c) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (c). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (c) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (c), the Underwriters shall not be required to contribute any amount in excess of the amount by which the total price at which the 2009 Bonds were offered to the public exceeds the amount of any damages which the Underwriters have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (with in the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) The indemnity and contribution provisions of this Purchase Contract shall not supersede, limit or modify any other indemnity between any of the parties in any other agreement or arising otherwise by law.

6. Expenses.

All expenses and costs incident to the authorization, execution, delivery and sale of the 2009 Bonds to the Underwriters, including the costs of printing of the 2009 Bonds, the Official Statement, the cost of duplicating the Financing Documents, the fees of accountants, consultants and rating agencies, the initial fee of the Trustee and its counsel in connection with the execution and delivery of the 2009 Bonds, the fees and expenses of Underwriters' Counsel and the fees and expenses of Bond Counsel, shall be paid from the proceeds of the 2009 Bonds. In the event that the 2009 Bonds for any reason are not issued, or to the extent proceeds of the 2009 Bonds are insufficient or unavailable therefor, any fees, costs and expenses owed by the Authority to the Trustee, which otherwise would have been paid from the proceeds of the 2009 Bonds, shall be paid by the Authority. All out-of-pocket expenses of the Underwriters, including traveling and other expenses, including those associated with the California Debt and Investment Advisory Commission fee, the costs of preparation of any blue sky and legal investment surveys prepared by Underwriters' Counsel, shall be paid by the Underwriters. The County shall pay for expenses (included in the expense component of the Underwriters' spread) incurred on behalf of the County's employees which are incidental to implementing this agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees.

7. Notices.

Any notice or other communication to be given to the parties to this Purchase Contract may be given by delivering the same in writing to the respective party at the following address:

Underwriters: Wedbush Securities Inc.
One Bush Street, Suite 1700
San Francisco, California 94104
Attention: [_____]

E.J. De La Rosa & Co., Inc.
101 Montgomery Street, Suite 2150
San Francisco, California 94104
Attention: [_____]

County: County of San Mateo
c/o County Manager's Office
Hall of Justice and Records
County Government Center
400 County Center
Redwood City, California 94063
Attention: Assistant County Manager

Authority: San Mateo County Joint Powers Financing Authority
c/o County Manager's Office
Hall of Justice and Records
County Government Center
400 County Center
Redwood City, California 94063
Attention: Assistant County Manager

8. Survival of Representations and Warranties.

The representations and warranties of the Authority and the County set forth in or made pursuant to this Purchase Contract shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Contract and regardless of any investigations or statements as to the results thereof made by or on behalf of the Underwriters and regardless of delivery of and payment for the 2009 Bonds.

9. Effectiveness.

This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by a duly authorized officer of the Authority and the County and shall be valid and enforceable as of the time of such acceptance.

10. Execution in Counterparts.

This Purchase Contract may be executed in counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

If the above terms are acceptable, please cause a duly authorized officer of the Authority and the County to execute the acceptance below.

Very truly yours,

WEDBUSH SECURITIES INC.

By: _____
Managing Director

E.J. DE LA ROSA & CO., INC.

By: _____
President

ACCEPTED:

SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY

By: _____
[President]

COUNTY OF SAN MATEO

By: _____
County Manager

SCHEDULE I

MATURITY SCHEDULE

for

San Mateo County Joint Powers Financing Authority

Lease Revenue Bonds

(Capital Projects)

2009 Refunding Series A

\$[_____] Serial 2009 Bonds

<u>Maturity Date</u> <u>(July 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
	\$	%	%

\$[_____] _____% Term 2009 Bonds due July 15, 20___ – Yield _____%*

\$[_____] _____% Term 2009 Bonds due July 15, 20___ – Yield _____%*

* Priced to first call date of July 15, 20___ at par.

Based upon the foregoing, I am of the opinion that:

1. The Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America with trust powers and full corporate power to undertake the trust of the Trust Agreement;
2. The Trustee has duly authorized, executed and delivered the Trust Agreement and by all proper corporate action has authorized the acceptance of the duties and obligations of the Trustee under the Trust Agreement;
3. The Trust Agreement constitutes the legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms;
4. There is no litigation pending against the Trustee arising from its fiduciary activities to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to the transactions contemplated by the Trust Agreement;
5. The Trustee's action in executing and delivering the Trust Agreement do not conflict with or constitute a breach of or default under any law or governmental regulation applicable to the Trustee.

My opinion with respect to the foregoing documents is qualified by (i) the application of bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws or general application affecting creditors' rights or (ii) the discretion of any court to refuse to order equitable relief, including specific performance of any clause of any such documents, whether such enforceability is considered in a proceeding in equity or at law.

This opinion is furnished by me to you solely for your benefit and may not, without my express written consent, be relied upon by any other person.

Very truly yours,