

RESOLUTION NO. _____

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

RESOLUTION APPROVING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED \$155,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (CAPITAL PROJECTS) FOR THE REFUNDING OF ALL OR A PORTION OF THE AUTHORITY'S LEASE REVENUE BONDS (CAPITAL PROJECTS), 1997 SERIES A AND LEASE REVENUE BONDS (CAPITAL PROJECTS), 1999 REFUNDING SERIES A; AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; AUTHORIZING A LEASE FINANCING WITH THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY; AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH.

RESOLVED, by the Board of Supervisors of the County of San Mateo, that:

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

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

WHEREAS, pursuant to a Trust Agreement dated as of April 15, 1994 (as supplemented and amended, the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Trustee"), the Authority has heretofore issued the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (San Mateo County Health Center), 1994 Series A (the "1994 Bonds"), in the aggregate principal amount of \$124,355,000; the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 1995 Series A, in the aggregate principal amount of \$19,225,000 (the "1995 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 1997 Series A, in the aggregate principal amount of \$63,205,000 (the "1997 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects) 1999 Refunding Series A, in the aggregate principal amount of \$113,140,000 (the "1999 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects) 2001 Series A, in the aggregate principal amount of \$24,370,000 (the "2001 Series A Bonds"); and the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects) 2001 Series B, in the aggregate principal amount of \$8,520,000 (the "2001 Series B Bonds" and collectively with the 2001 Series A

Bonds, the “Series 2001 Bonds”) for financing and refinancing the acquisition, construction, remodeling and equipping of certain facilities for the County of San Mateo (the “Project”) and other capital improvements for the County;

WHEREAS, the County has heretofore entered into a Master Site Lease (San Mateo County Health Center), dated as of April 15, 1994 between the County and the Authority (as amended, the “Master Site Lease”), for the lease of the Project and other County property, and is presently leasing the same back from the Authority pursuant to a Master Facility Lease (San Mateo County Health Center) dated as of April 15, 1994, between the Authority and the County (as amended, the “Master Facility Lease”);

WHEREAS, the County has requested, and it furthers the public purpose for, the Authority to assist the County in the refunding and defeasance, to the extent there are debt service savings, of all or a portion of the 1997 Bonds and the 1999 Bonds (herein collectively called the “Prior Bonds”);

WHEREAS, a favorable interest rate market would make it possible for the Authority to reduce the interest rates on its debt by the issuance of refunding bonds thereby reducing the rent payable by the County under the Master Facility Lease resulting in significant public benefits from the financing;

WHEREAS, the County desires to approve the sale and issuance by the Authority of not to exceed \$155,000,000 in aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), in one or more series (the “Bonds”), pursuant to the Trust Agreement, as supplemented by a Sixth Supplemental Trust Agreement, by and between the Authority and the Trustee (the “Sixth Supplemental Trust Agreement”), for the purpose of refunding and defeasance of all or a portion of the Prior Bonds;

WHEREAS, if all of the Prior Bonds are refunded by the Bonds, the only outstanding obligations under the Trust Agreement will be the Bonds and the Series 2001 Bonds;

WHEREAS, California Financial Services Inc., is serving as financial advisor (the “Financial Advisor”) to the County and the Authority and Orrick, Herrington & Sutcliffe LLP is serving as bond counsel (“Bond Counsel”) to the County and the Authority in connection with the financing; and

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

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

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

Section 2. The Board hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed one hundred and fifty-five million dollars (\$155,000,000), to be issued in one or more series and to carry such designation as the officer executing the same determines is appropriate.

Section 3. The officers of the County may, if it is determined to be necessary or desirable, assist the Authority in obtaining bond insurance for the Bonds and a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds.

Section 4. The proposed form of Continuing Disclosure Agreement, dated as of December 1, 2009 (the “Continuing Disclosure Agreement”), by and between the County and the Trustee, on file with the Clerk of the Board of Supervisors, is hereby approved. The County Manager and each Deputy County Manager are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The proposed form of Bond Purchase Contract (the “Bond Purchase Contract”) among the Authority, the County and Wedbush Securities Inc, as representative of the underwriters (the “Underwriters”), on file with the Clerk of the Board of Supervisors, is hereby approved. The County Manager and each Deputy County Manager are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to accept the offer of the Underwriters to purchase the Bonds as reflected in the Bond Purchase Contract; and to execute and deliver the Bond Purchase Contract in substantially the form on file with the Secretary of the Authority, with such additions, deletions or changes therein as such officer determines are necessary or appropriate and are approved by such officer, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Contract; provided, that the interest rate on the Bonds shall not exceed a true interest cost of four and three-quarters percent (4.75%) per annum and the underwriting discount (excluding any original issue discount) shall not exceed eight-tenths of a percent (0.80%) of the principal amount of Bonds sold, and provided further that the refunding results in net present value savings of at least three percent (3.00%) of the principal amount of the refunding bonds.

Section 6. The proposed form of Official Statement relating to the Bonds (the “Official Statement”), on file with the Clerk of the Board of Supervisors, is hereby approved. The County Manager and each Deputy County Manager are each hereby authorized and directed, acting singly, for and in the name of and on behalf of the County, to execute and deliver the Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds (either in printed form or by posting electronically) is hereby approved and the County Manager and each Deputy County Manager are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official

Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 7. The Bonds in an aggregate principal amount not to exceed one hundred and fifty-five million dollars (\$155,000,000) shall be issued in accordance with the Trust Agreement and the Sixth Supplemental Trust Agreement which is hereby approved.

Section 8. The County Manager or any Deputy County Manager is hereby authorized on behalf of the County to enter into, amend, terminate, or instruct the Authority or the Trustee to enter into, amend or terminate one or more investment agreements or forward delivery agreements (hereinafter collectively referred to as the “Investment Agreements”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as such officer of the County shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Supervisors hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 9. The County Manager and each Deputy County Manager are each hereby authorized and directed, acting singly, for and in the name and on behalf of the County, to execute and deliver, any amendments to the Master Site Lease or the Master Facility Lease or other real estate instruments to the extent which they deem necessary or beneficial to the Authority or the County, in order to clarify title to properties leased thereunder or effectuate the financing contemplated hereby.

Section 10. The officers and Supervisors of the County are hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby. The documents and Bonds authorized herein may be dated such date and the Bonds may be assigned such different Series designations, as may be appropriate to indicate when the Bonds are actually sold or delivered or the nature of the Bonds.

Section 11. The County Manager and each Deputy County Manager of the County, are hereby authorized and directed, acting singly, to execute and deliver any Certificate of the County or Written Request of the County required to be delivered pursuant to the Trust Agreement, the Sixth Supplemental Trust Agreement or the Bond Purchase Contract or otherwise as may be necessary or desirable in connection with the financing or the refunding and defeasance of the Prior Bonds, including the execution of any, escrow instructions, or any investment agreement or direction of investment with respect to Bond funds, which investments are hereby authorized to have terms of up to the term of the Bonds.

Section 12. This Resolution shall take effect from and after its adoption.

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Supervisors of the County of San Mateo, hereby certify as follows:

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

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

Ayes:

Noes:

Absent:

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

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

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

Dated: _____

Clerk of the Board of Supervisors
County of San Mateo

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