NOTICE AND AGENDA
OF REGULAR MEETING OF GOVERNING BOARD OF
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

Notice is hereby given of the time and place of a regular meeting of the Governing Board of the San Mateo County Joint Powers Financing Authority (the "Authority") and of the business to be transacted at said meeting. Said meeting is to be held at the time and place hereinafter set forth:

*****BY VIDEOCONFERENCE ONLY*****

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Thus, pursuant to Executive Order N-29-20, local and statewide health orders, and the CDC's social distancing guidelines which discourage large public gatherings, the regular meeting location of the Joint Powers Financing Authority is no longer open for public meetings.

*Please see instructions for written and spoken public comments at the end of this agenda.

Time: 11:00 a.m.

Date: Wednesday, April 28, 2021

Place: Zoom Videoconference Link: https://smcgov.zoom.us/j/97649015877
Or via Dial-in: (669) 900-6833
Meeting ID: 976 4901 5877

The agenda of said meeting shall be as follows:

1. Roll Call

2. Public Comment

3. Welcome and introductions

4. Approval of the Minutes for March 24, 2021 meeting

5. Review and discussion of draft transactional documents and resolutions for Cordilleras financing and prior bond refunding

6. Update: status, schedule and structure of Cordilleras financing and prior bond refunding

7. Review Plan of Finance

8. Other Business *(Discussion only)*

- Next meeting: May 26

9. Adjournment

*<u>Public Participation – Written Public Comments:</u>

- Written public comments should be emailed to rmanchia@scmgov.org and sgolestan@smcgov.org and should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda or is on the consent agenda.

- The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
- Written comments received by 5:00 p.m. on the day before the meeting will be distributed to the Members of the JPFA Board and made publicly available on the JPFA's agenda webpage. The Clerk will make every effort to read emails received after that time but cannot guarantee such emails will be read during the meeting, although such emails will still be included in the administrative record.

*Public Participation – Spoken Public Comments:

- Spoken public comments will be accepted during the meeting through Zoom (see Zoom link on the first page of the Agenda)
- You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
- You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
- When the Board President or Clerk of the Board calls for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
- For any questions or concerns regarding Zoom, including troubleshooting, privacy, or security settings, please contact Zoom directly.

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the JPFA Board. The JPFA Board has designated the office of the Clerk of the Board of Supervisors, located at 400 County Center, Redwood City, CA 94063, for the purpose of making those public records available for inspection. Documents and upcoming meetings are also available on the JPFA's website at https://cmo.smcgov.org/joint-powers-financing-authority.

<u>AFFIDAVIT OF POSTING AND OF MAILING OF NOTICE</u>

STATE OF CALIFORNIA)

COUNTY OF SAN MATEO)

Roberto Manchia hereby declares that he is a citizen of the United States of America, over the age of 18 years; that at all times herein mentioned he was an employee of the County of San Mateo; that acting for the Governing Board of the San Mateo County Joint Powers Financing Authority he posted on April 23, 2021, at County Government Building, 400 County Center, Redwood City, California, a location freely accessible to members of the public, and emailed on April 23, 2021 a Notice of Regular Meeting of the Governing Board, a copy of which is attached hereto, addressed to each member of the Governing Board on list attached hereto; and that on said day there was regular communication sent electronically to the members' names shown on the attached list.

Dated: April 23, 2021 at Redwood City, California.

I declare under penalty of perjury that the foregoing is true and correct.

____

Joint Powers Financing Authority Board Members

Paul T. Scannell
Thomas F. Casey
John M. Gemello
Donna Vaillancourt
Jim Saco

ITEM 4

DRAFT MINUTES OF March 24, 2021
REGULAR MEETING OF GOVERNING BOARD OF
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

*****BY VIDEOCONFERENCE ONLY*****

The meeting began at 11:03 AM

1. Roll Call: Thomas Casey; John Gemello, President Scannell
Members Present: 3 - John Gemello, Paul Scannell, and Thomas F. Casey III

(Pending members Jim Saco and Donna Vaillancourt were present. They officially became members after their oaths were administered by Daniel McCloskey, Deputy County Counsel during Item No. 3*)*

Staff Present: Roberto Manchia, County Chief Financial Officer
Rebecca Archer, Chief Deputy County Counsel
Daniel McCloskey, Deputy County Counsel
Kim-Anh Le, Deputy Controller
Divya Kumar, Financial Services Manager, Controller's Office
Sukhmani Purewal, Assistant Clerk of the Board

2. Public Comment – There were no public comments.

3. Welcome and introduction of new members

A) Oaths of Office of Donna Vaillancourt and Jim Saco

Oaths were administered by Daniel McCloskey, Deputy County Counsel

Daniel McCloskey provided the members with an overview of Joint Powers Financial Authority duties and responsibilities.

5. Review Audit Report

Roberto Manchia discussed the Audit Report for Fiscal Year 2019-20 and indicated it will be sent out to all Board members. The report provides an overview of the County's debt and net financial position.

4. Approval of the Minutes of February 24, 2021

Motion: Casey
Second: Gemello
Ayes: 3 - Gemello, Casey, Scannell
Noes: 0
Members Absent: 0
Abstained: 2 – Saco and Vaillancourt

6. Approval of legal and financial agreements

- Agreements with: CFS, ORRICK, and Norton Rose Fulbright

Daniel McCloskey provided an overview of the proposed agreements with Orrick, Norton Rose and California Financial Services. Orrick will provide services as Bond Counsel, Norton Rose Fulbright will provide Disclosure Counsel services, and CFS will provide financial services in connection with the County and JPFA bond issuances.

Jim Saco mentioned that in the Norton Rose Fulbright agreement, he did not see the “not to exceed”, however, Daniel McCloskey confirmed that it is in the agreement.

Jim Saco stated that the amount mentioned in the CFS agreement would not cover the North County Clinic and South County Homeless Shelter so will there be a new agreement to cover the costs or this agreement would be amended.

Robert Manchia mentioned that in the future the County will go out for an RFP for financial advisory services and will perform a full scope procurement and then renew or enter into a new agreement with whomever is selected.

Motion: Casey
Second: Saco
Ayes: 5 – Casey, Gemello, Saco, Scannell, and Vaillancourt
Noes: 0
Members Absent: 0

7. Update: Cordilleras Bond

Steven Gald provided the entire Board with a history and background information for the anticipated Cordilleras Bond issuance.

He reported that the following banks were selected as the underwriting team for this issuance: Senior Manager from Citi Group Global, Co-senior with Morgan Stanley, and two participating underwriters from Siebert Williams Shank and RBC Capital Markets. The next steps will be to bring documents for preliminary approval to this Board on April 28, 2021 meeting and then get approval by the County Board of Supervisors. The potential issuances will be: 1. New money or project funding for Cordilleras; and 2. Lowering the overall debt service by refinancing the 2013 and 2014 bonds that are currently outstanding.

Chair Scannell asked Mr. Steven Gald to provide a brief description of how the actual Bond sale process takes place.

Mr. Gald explained the steps that are followed for bond offerings in the public market as a municipal issuer, including working with the finance team on financial plans that will be presented to investors, setting a date and time for pricing the bonds, receiving offers for the interest rate, working with banks and underwriters to establish an appropriate interest level, and bank commitment to purchase the bonds and sell to the investors.

Ms. Donna Vaillancourt asked what the top considerations were when interviewing the underwriting teams.

Robert Manchia stated that they looked for a team that gave new ideas not just for the current debt structure for Cordilleras but as to the County's overall debt and helping us determine how to best restructure in the current market.

Mark Epstein stated that the County gave credit to those banks in the pool that provided value to the County by performing useful analysis and insights outside formal engagements.

Chair Scannell asked Robert Manchia to share the Round 2 questions with the entire Board so they know how the team was ultimately selected.

8. Other Business *(Discussion only)*

- Next meetings: April 28 and May 26.

Robert Manchia stated that at the next meeting we will most likely present what the banks are coming back with and what the County's anticipated bond structure will be.

Mary Collins mentioned that she is no longer a partner with Orrick but is now working as a Counsel due to retirement.

Robert Manchia inquired about the board signing agreements and other disclosures with DocuSign due to the pandemic. There was a request that language be added in legal documents to permit use of DocuSign where permissible. The Board will do a practice signing on sample documents before implementing DocuSign on JPFA documents.

John Palmer and Rebecca Archer discussed examples where original signatures are required on documents and cannot be electronically signed.

John Palmer asked about the County's long-term planning and capital needs and portfolio of assets and how it could impact the structure of the two upcoming bond deals.

Mark Epstein stated that the County does not lack assets to use for future financings. The new office building that will be completed is unencumbered, and the County has other unencumbered projects, if needed.

Chair Scannell asked John Palmer to explain what a "Lease Revenue Bond" is?

John Palmer stated that for each "Lease Revenue Bond" that is issued, it is repaid with revenues that are generated by leaseback structure. For example, the County leases improved real property to the JPFA. JPFA pays upfront the rent of this property using the proceeds of the bonds that are issued. The County leases the same piece of property back from the JPFA and makes rental payments over a lease term which are the revenues that are used to repay the bonds. Every "Lease Revenue Bond" requires real property that matches up the principal amount of the bond that is issued .

9. Adjournment: **The meeting adjourned at 11:54 a.m.**

RESOLUTION NO. ____

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED $[NTE AMOUNT] AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS (REFUNDING AND CAPITAL PROJECTS), TO FINANCE CERTAIN CAPITAL IMPROVEMENTS AND THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS (CAPITAL PROJECTS), 2014 SERIES A, TO PAY COSTS OF ISSUANCE OF THE BONDS, AND TO PAY CAPITALIZED INTEREST ON THE BONDS; APPROVING THE FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST AGREEMENT, A FIRST AMENDMENT TO FACILITY LEASE, A FIRST AMENDMENT TO SITE LEASE, AN ESCROW AGREEMENT, A BOND PURCHASE CONTRACT, AND AN OFFICIAL STATEMENT; AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS.

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 (the "Joint Powers Agreement"), which Joint Powers Agreement creates and establishes the San Mateo County Joint Powers Financing Authority (the "Authority");

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

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

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

4155-1200-2605.2

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

WHEREAS, in accordance with the JPA law the County has determined that there are significant public benefits and it furthers the public purpose for the Authority to assist in financing certain capital improvements within the County, including, but not limited to the acquisition, construction and improvements of certain hospital and health within the County, such as the Cordilleras Mental Health Center (the "2021 Capital Improvements") and the refunding and defeasance, to the extent there are debt service savings, of all or a portion of the outstanding 2014 Bonds (the "Prior Bonds");

WHEREAS, the County has found that refinancing the Prior Bonds will lower the interest rate, thereby reducing the rent payable by the County under the Facility Lease resulting in significant public benefits;

WHEREAS, the County following a public hearing has found that the proposed financing of the 2021 Capital Improvements would result in significant public benefits;

WHEREAS, the County has requested that the Authority assist in the financing of the 2021 Capital Improvements by entering into the First Amendment to Site Lease and First Amendment to Facility Lease, and by issuing lease revenue bonds;

WHEREAS, the Authority desires to authorize the sale and issuance of not to exceed $[NTE Amount] in aggregate principal amount of its San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A (the "Bonds"), pursuant to the Trust Agreement, as supplemented by a First Supplemental Trust Agreement, by and between the Authority and the Trustee (the "First Supplemental Trust Agreement"), for the purpose of financing the 2021 Capital Improvements, refunding and defeasance of all or a portion of the Prior Bonds, payment of the costs of issuance of the Bonds and payment of capitalized interest on the Bonds;

WHEREAS, the moneys to redeem the Prior Bonds will be applied to such purpose pursuant to an Escrow Agreement by and between the Authority and the trustee for such Prior Bonds, as trustee and as escrow agent (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as an "Escrow Agreement");

WHEREAS, the Facility Lease and the Site Lease will need to be amended to include the Cordilleras Mental Health Center among the properties leased to the Authority and leased back by the County, such action to be taken pursuant to a First Amendment to Site Lease and First Amendment to Facility Lease, the forms of which are both on file with the Secretary of this Governing Board of the Authority (the "Board");

WHEREAS, Section 5852.1 of the Government Code of the State of California requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

WHEREAS, in compliance with said section, this Board has obtained from the Senior Manager the required good faith estimates for the Bonds in connection with this agenda item, attached hereto as Exhibit A;

WHEREAS, California Financial Services Inc. is serving as municipal advisor (the "Municipal Advisor"), Orrick, Herrington & Sutcliffe LLP is serving as bond counsel ("Bond Counsel"), and Norton Rose Fulbright US LLP is serving as disclosure counsel ("Disclosure Counsel") to the County and the Authority in connection with the financing;

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

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

WHEREAS, this Board has been presented with the form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, the Authority has full legal right, power and authority under the laws of the State of California to enter into the transactions hereinafter authorized;

NOW THEREFORE, BE IT RESOLVED by the Governing Board of the San Mateo County Joint Powers Financing Authority, as follows:

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

Section 2. The Board hereby authorizes the issuance of the Bonds, in one or more series and to carry such designations as the officer executing the same determines is appropriate, in an aggregate principal amount not to exceed $[NTE Amount]. The proceeds of the Bonds shall be used to finance certain public capital projects, to refund all or a portion of the Prior Bonds, to pay the costs of issuance of the Bonds and to pay capitalized interest on the Bonds.

Section 3. The proposed form of First Supplemental Trust Agreement, on file with the Secretary of the Authority, is hereby approved. The President, Vice President, Secretary, Auditor-Treasurer and Assistant Secretary of the Authority (the "Authorized Officers") are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee the First Supplemental Trust Agreement in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, series designations, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the First Supplemental Trust Agreement, as finally executed.

Section 4. The proposed form of First Amendment to Site Lease, on file with the Secretary of the Authority, is hereby approved. The Board hereby authorizes and approves the addition of the Cordilleras Mental Health Center, when completed to those properties leased to the Authority and back by the County, if the inclusion of such property be determined necessary or desirable by the Authorized Officers in consultation with Bond Counsel and the Municipal Advisor. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment to Site Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The maximum term of the property leased under the Site Lease, as amended by the First Amendment to Site Lease, shall not exceed [__] years from the date of execution of the First Amendment to Facility Lease, inclusive of any extension of the term of the lease as provided in the Site Lease.

Section 5. The proposed form of First Amendment to Facility Lease, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the First Amendment to Facility Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The maximum annual debt service payable in connection with the Facility Lease, as amended by the First Amendment to Facility Lease, shall not exceed $[Max. Annual Debt Service] and the term of the Facility Lease, as amended, shall not go beyond the end of calendar year [20__] (except that the Facility Lease may provide for an extension of up to an additional 10 years to address an abatement event).

Section 6. The proposed form of Escrow Agreement, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof and to provide for the investment of funds thereunder.

Section 7. The proposed form of Bond Purchase Contract (the "Bond Purchase Contract") among the Authority, the County and the Senior Manager, as representative of the underwriters (the "Underwriters"), on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, 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 [_____] percent ([_._]%) per annum, the term of the Bonds shall not exceed [________] ([__]) years from the date of issuance, and the underwriting discount (excluding any original issue discount) shall not exceed [_____] a percent ([_._]%) of the principal amount of Bonds sold, and provided further that the refunding results in net present value savings of at least [______] percent ([_._]%) of the principal amount of the refunded bonds, and that no maturity of the Prior Bonds shall be refunded if the refunding of such maturity will not produce savings in that year, and the term of the Bonds will not extend beyond the term of the Prior Bonds being refunded.

The Authority may also sell the Bonds directly to a purchaser (a "Direct Purchaser") pursuant to the form of Bond Purchase Contract (Direct Purchase Forward Delivery) (the "Direct Purchase Contract") on file with the Secretary of the Authority, and which is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to accept the offer of the Direct Purchaser to purchase the Bonds as reflected in the Direct Purchase Contract; and to execute and deliver the Direct 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 Direct Purchase Contract; provided that the Bonds shall be issued in conformity with the parameters set forth in the preceding paragraph.

Section 8. The proposed form of Official Statement relating to the Bonds (the "Official Statement"), on file with the Secretary of the Authority, is hereby approved. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver an 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. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds is hereby approved and the Authorized Officers are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 9. The Bonds in an aggregate principal amount not to exceed $[NTE Amount] shall be executed by the manual or facsimile signature of the President of the Authority or any Vice President and shall be countersigned by the manual or facsimile signature of the Secretary of the Authority or the Assistant Secretary in the form set forth and otherwise in accordance with the Trust Agreement and the First Supplemental Trust Agreement.

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

The Authorized Officers are each hereby now and in the future authorized and directed, individually, to execute and deliver, on behalf of the Authority any amendments to the Site Lease or the Facility Lease to the extent which they deem necessary or advisable or beneficial to the Authority and the County to effectuate the financing authorized hereby, including, but not limited to the release, purchase, or substitution of real property as contemplated by and subject to the Facility Lease, the Site Lease and the Trust Agreement, or the substitution of sureties for cash in the debt service reserve fund, as contemplated by the documents.

Section 11. The officers and directors of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all documents and certificates, engage counsel, consultants, escrow agents or other parties which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, purchase open market securities or authorize the purchase of U.S. State and Local Government securities in connection with the refunding of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby. The officers of the Authority may, if it is determined to be necessary or desirable, obtain bond insurance for all or a portion of the Bonds and/or a surety bond or bonds with respect to all or a portion of the reserve requirement with respect to the Bonds and/or any and all outstanding bonds issued pursuant to the Trust Agreement. The documents authorized herein may be dated such date, and different series designations given to the Bonds, as may be appropriate to indicate when the Bonds are actually sold or delivered or the nature of the Bonds.

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

Section 13. The officers and directors of the Authority, and the County Manager, Assistant County Manager, Deputy County Manager, County Budget Director, and any designee of any such officer of the County are hereby authorized and directed, individually or jointly, to execute and deliver, on behalf of the Authority, any Certificate of the Authority or Written Request of the Authority required to be delivered pursuant to the Trust Agreement, the First Supplemental Trust Agreement, the Facility Lease, the Site Lease or the Bond Purchase Contract or otherwise as may be necessary or desirable in connection with the financing or refunding and defeasance of the Prior Bonds, including the execution of any escrow instructions, purchase instructions for escrow securities, a letter engaging a duly licensed firm to provide a verification report, or any investment requirement or direction of investment with respect to Bond funds, which investment may consist of investments or investment agreements that have a term of up to the term of the Bonds.

Section 16. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May, 2021.

____
President

ATTEST:

By______________________________
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A (the "Bonds") in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the San Mateo Joint Powers Financing Authority (the "Authority") by Citigroup Global Markets, Inc., serving as Senior Managing Underwriter (the "Senior Manager") for the Bonds.

Principal Amount. The Senior Manager has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $[Par Amount] (the "Estimated Principal Amount").

True Interest Cost of the Bonds. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is [_._]%.

Finance Charge of the Bonds. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $[Finance Charge].

Amount of Proceeds to be Received. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $[Proceeds Received].

Total Payment Amount. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $[Total Payment].

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the need for project funds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority. The Bonds shall have a maximum true interest cost of [_._]%.

SECRETARY'S CERTIFICATE

I, _________________, Secretary of the Governing Board of the San Mateo County Joint Powers Financing Authority, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said Authority duly and regularly and legally held at the regular meeting place thereof, or held remotely pursuant to Executive Order N-29-20 of the Governor, and in order to adhere as closely as possible to the orders of the health officials on behalf of the County, with remote access available to the public, on May 26, 2021, of which meeting all of the members of the Governing Board of said Authority had due notice and at which a majority thereof were present.

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

Ayes:

Noes:

Absent:

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

I further certify that an agenda of said meeting was posted at least 72 hours prior to the date of the meeting in a place in the City of Redwood City, California, freely accessible to members of the public, and was posted on the County's website, on behalf of the Authority, at least 72 hours before said meeting in accordance with Executive Order N-29-20, signed by the Governor of the State of California on March 17, 2020, and that a short description of said resolution appeared on said agenda.

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

WITNESS my hand this ____ day of ________________, 2021.

____

Secretary of the Governing Board
of the San Mateo County Joint Powers
Financing Authority

[Seal]

4155-1200-2605.2

Recording requested by
and return to:

SAN MATEO COUNTY JOINT
POWERS FINANCING AUTHORITY
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attn: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to
Government Code Section 6103

FIRST AMENDMENT TO SITE LEASE

between the

COUNTY OF SAN MATEO

and the

SAN MATEO COUNTY JOINT
POWERS FINANCING AUTHORITY

Dated as of June 1, 2021

(Amending the Site Lease dated as of April 1, 2014)

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FIRST AMENDMENT TO SITE LEASE

This First Amendment to Site Lease, dated as of June 1, 2021 between the COUNTY OF SAN MATEO, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY (the "Authority"), as lessee, a joint exercise of power authority, duly organized and existing pursuant to an Agreement, dated May 15, 1993, entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo";

W I T N E S S E T H

WHEREAS, this First Amendment to Site Lease is entered into in order to amend in certain respects a lease between the County and the Authority entitled "Site Lease," dated as of April 1, 2014 and recorded on May 13, 2014, in the office of the County Recorder of the County, under Recorder's Serial No. 2014-041379 (as amended from time to time, the "Site Lease") and to add to the property leased pursuant to the Site Lease certain additional real property on which County hospital and health facilities known as the "Cordilleras Mental Health Center" ("2021 Project") will be constructed (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto by the Site Lease);

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. This First Amendment to Site Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, and such date of commencement shall be hereinafter referred to as the "effective date."

Section 2. From and after the effective date of this instrument, the County, for good and valuable consideration, the sufficiency of which is hereby acknowledged, hereby leases to the Authority, and the Authority hereby leases from the County, the real property described in Exhibit A hereto, which real property is hereby added to the Demised Premises leased pursuant to the Site Lease. The Authority agrees to finance, acquire, construct and improve certain public capital improvements and to lease the improvements associated with 2021 Project (consisting of construction of the new Cordilleras Mental Health Center, as more fully described in the Facility Lease) back to the County pursuant to the Facility Lease.

Section 3. Section 2 of the Site Lease is hereby amended as follows:

> "Term. The term of this Site Lease shall commence on May 13, 2014, and shall end with respect to the Facilities or the designated portion thereof on the respective dates specified in Exhibit B hereto with respect thereto, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date the Base Rental Payments and all other amounts then due under the Facility Lease with respect to such identified Facilities or portion thereof shall not be fully paid, or if the rental thereunder shall have been abated at any time and for any reason, then the term of this Site Lease with respect to such Projects shall be extended ten (10) days

after the Base Rental Payments attributable to the respective Projects and all other amounts related thereto then due under the Facility Lease with respect to such Facilities, shall be fully paid, except that the term of this Site Lease with respect to the related Projects shall in no event be extended beyond the maximum extension date for such Projects identified in Exhibit B hereto with respect to such identified Facility. If prior to such date the Base Rental Payments necessary to retire the Bonds related to such Base Rental Payments and all other amounts then due under the Facility Lease, shall be fully paid, or provisions therefor made, the term of this Site Lease shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier."

Section 4. Section 4 of the Site Lease is hereby amended as follows:

"Purpose. The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the County pursuant to the Facility Lease and for such purposes as may be incidental thereto; provided, that in the event of default by the County under the Facility Lease, the Authority may exercise the remedies provided in the Facility Lease."

Section 5. The amendments in this Section 5 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Site Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 5. Section 23 is hereby added to the Site Lease as follows:

"Governing Law. This Site Lease shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist."

Section 6. Except as in this First Amendment to Site Lease expressly provided, the Site Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as previously amended and as amended hereby.

Section 7. If one or more of the terms, provisions, covenants or conditions of this First Amendment to Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this First Amendment to Site Lease shall be affected thereby, and each provision of this First Amendment to Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 8. This First Amendment to Site Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the County and the Authority have caused this First Amendment to Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

COUNTY OF SAN MATEO,
Lessor

By___________________________________
Name: Roberto Manchia
Title: Budget Director

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY,
Lessee

By___________________________________
Name: Paul T. Scannell
Title: President

EXHIBIT A

Additions to Demised Premises

2021 Project
(Cordilleras Mental Health Center, San Mateo County, California)

All that certain real property situated in the County of San Mateo, State of California, described as follows:

[To come]

EXHIBIT B

Lease Terms of Projects

Projects	Term	Maximum Extension
2014 Project	June 15, 2037	June 15, 2047
2021 Project	[2021 Term]	[2021 Extended Term]

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance dated [Closing Date] is entered into by the San Mateo County Joint Powers Financing Authority (the "Authority"), a joint exercise of power authority, duly organized and existing pursuant to an Agreement, dated May 15, 1993, entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo".

WITNESSETH

In consideration of the covenants herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority does hereby agree as follows:

The interest in real property leased by the County to the Authority, under the First Amendment to Site Lease, dated as of June 1, 2021, is hereby accepted by order of the undersigned officer on behalf of the Authority pursuant to authority conferred by Resolution No. [______] of the Authority adopted on May 26, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

IN WITNESS WHEREOF, the Authority has executed this Certificate of Acceptance as of the date first written above.

SAN MATEO COUNTY JOINT
POWERS FINANCING AUTHORITY

By____________________________
Paul T. Scannell
President

4152-4828-6509.2

CONSENT OF TRUSTEE

The undersigned, as trustee under the Trust Agreement dated as of April 1, 2014, as amended, between the San Mateo County Joint Powers Financing Authority (the "Authority") and the trustee hereby acknowledges and consents to the execution and delivery of the First Amendment to Site Lease dated as of June 1, 2021, between the County of San Mateo (the "County") and the Authority, relating to the Site Lease, dated as of April 1, 2014, between the County and the Authority.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By_________________________________
Authorized Officer

4152-4828-6509.2

OH&S Draft: 04/12/2021

Recording requested by
and return to:

COUNTY OF SAN MATEO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to
Government Code Section 6103

FIRST AMENDMENT TO FACILITY LEASE

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and the

COUNTY OF SAN MATEO

Dated as of June 1, 2021

(Amending the Facility Lease dated as of April 1, 2014)

4152-3714-5645.2

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FIRST AMENDMENT TO FACILITY LEASE

This First Amendment to Facility Lease, dated as of June 1, 2021, between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo," (herein called the "Authority"), as lessor, and the COUNTY OF SAN MATEO, a political subdivision organized and validly existing under the Constitution and laws of the State of California (herein called the "County"), as lessee;

W I T N E S S E T H:

WHEREAS, the County has leased certain real property and the improvements thereon to the Authority by a lease, entitled "Site Lease," dated as of April 1, 2014 and recorded on May 13, 2014 in the office of the County Recorder of the County, under Recorder's Serial No. 2014-041379, as amended by a First Amendment to Site Lease, dated as of June 1, 2021 (as amended, the "Site Lease"); and

WHEREAS, this First Amendment to Facility Lease is entered into to amend and supplement in certain respects a lease between the Authority and the County entitled "Facility Lease," dated as of April 1, 2014 and recorded on May 13, 2014 in the office of the County Recorder of the County, State of California, under Recorder's Serial No. 2014-041380 (herein together with all supplements and amendments thereto, the "Facility Lease") and to add to the property leased pursuant to the Facility Lease certain additional real property on which County hospital and health facilities known as the "Cordilleras Mental Health Center" will be constructed;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE XI

Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A and 2021 Project

Section 11.01 Effective Date. This First Amendment to Facility Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, State of California, or on July 1, 2021, whichever is earlier, and such date of commencement shall be hereinafter referred to as the "effective date" and on the effective date the additional real property hereby added to the Facility Lease and set forth in Exhibit A hereto, upon which the 2021 Project is to be situated, shall be encumbered by the Facility Lease and references to Demised Premises in the Facility Lease shall include the real property described in Exhibit A.

Section 11.02 Definitions. From and after the effective date of this instrument, the following new definitions shall be added to Section 1.01 of the Facility Lease, or existing definitions replaced in Section 1.01 of the Facility Lease, as applicable, in alphabetical order, to read as follows:

> **"Capital Projects"** means the various public capital improvements and projects, including, but not limited to the acquisition, construction, installation, implementation, equipping and

improvement of the 2014 Project and the 2021 Project, as set forth in Exhibit D hereto, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the 2014 Series A Bonds and the 2021 Series A Bonds, respectively.

"Facilities" shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facility Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or remaining after the exercise of the option to purchase thereof or remaining after release therefrom, or any portion thereof, in accordance with this Facility Lease and the Trust Agreement, subject, however, to any conditions, reservations and easements of record and known to the County.

"First Amendment to Facility Lease" means that First Amendment to Facility Lease between the Authority and the County, dated as of June 1, 2021.

"Project" or "**Projects"** means, individually or collectively, as applicable, the 2014 Project, the 2021 Project or any County facility or facilities substituted for the Project or any portion thereof in accordance with the Facility Lease and the Trust Agreement.

"Series 2021 Bonds" means, collectively, the bonds issued by the Authority under and pursuant to the Trust Agreement and the First Supplemental Trust Agreement, the proceeds of which will be applied to the acquisition, construction and equipping of the 2021 Capital Improvements, the refinancing of a [all or a portion] of the 2014 Series A Bonds of the Authority, payment of costs of issuance of the Series 2021 Bonds and payment of capitalized interest on the Series 2021 Bonds.

"2021 Capital Improvements" means the 2021 Project, including demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvement and appurtenant and related facilities.

"2021 Project" means the acquisition, construction, installation, equipping and improvement of the Cordilleras Mental Health Center, and payment of any costs associated with financing of said project, as set forth in Exhibit D hereto, as the same may be amended in accordance with Section 3.07(b)(6) hereof.

Section 11.03 Amendment to Section 2.01. From and after the effective date of this instrument, Section 2.01 of the Facility Lease is hereby amended to read as follows:

"SECTION 2.01. Lease of Facilities. The Authority hereby leases to the County, and the County hereby leases from the Authority, the Facilities, consisting of the Demised Premises and the 2021 Project to be constructed thereon, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Facility Lease, as defined in Section 2.02 hereof. The County hereby agrees and covenants during the term of this Facility Lease that, except as hereinafter provided, it will use the Facilities for public and County purposes so as to afford the public the benefits contemplated by this Facility Lease."

Section 11.04 Amendment to Section 2.02. (a) From and after the effective date of this instrument, Section 2.02(a) of the Facility Lease is hereby amended to read as follows:

"(a) The term of this Lease commenced on May 13, 2014, and shall end on the respective dates specified in Exhibit C hereto for the respective Projects, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date, the Base Rental Payments and all other amounts then due hereunder with respect to the Projects related thereto, shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Facility Lease with respect to such Projects shall be extended until the Base Rental Payments attributable to the respective Projects and all other amounts then due hereunder with respect to such Projects, shall be fully paid, except that the term of this Facility Lease with respect to the related Projects shall in no event be extended beyond the maximum extension date for such Projects identified in Exhibit C hereto. If prior to such date, the Base Rental Payments or all the Bonds payable therefrom and all other amounts then due hereunder, shall be fully paid, or provision therefor made, the term of this Facility Lease shall end ten (10) days thereafter or upon written notice by the Authority to the County, whichever is earlier."

(b) From and after the effective date of this instrument, there shall be added to Section 2.02 of the Facility Lease the following paragraphs, which shall read as follows:

"(e) Occupancy of 2021 Project. It is contemplated that the County will take possession of the 2021 Project on or before [Completion Date]. If the 2021 Project shall be substantially completed before the above date, the County shall take possession of the 2021 Project upon such substantial completion.

(f) Construction Abatement. Prior to the expected occupancy of the 2021 Project, Base Rental Payments related thereto are payable from proceeds of the Bonds on deposit in the

Interest Account under the Trust Agreement (the "Capitalized Interest Period"). If the Authority, for any reason whatsoever, cannot deliver possession of the 2021 Project to the County by the end of the Capitalized Interest Period, this Facility Lease shall not be void or voidable, nor shall the Authority be liable to the County for any loss or damage resulting therefrom; but in that event the rent payable hereunder with respect to the 2021 Project shall be abated proportionately, in the proportion which the construction cost of the part or parts of the 2021 Project not yet delivered to the County bears to the aggregate construction cost of the 2021 Project, with respect to the period between the end of the Capitalized Interest Period and the time when the Authority delivers possession."

Section 11.05 Amendment to Section 2.03. The amendments in this Section 11.05 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.05. Section 2.03 of the Facility Lease is hereby amended to read as follows:

"SECTION 2.03. Substitution and Release. (a) The County and the Authority may substitute real property as part of the Facilities for purposes of this Facility Lease ("Substitute Property"), but only after the County shall have filed with the Authority and the Trustee, all of the following:

(i) Executed copies of the Facility Lease or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property.

(ii) A Certificate of the County with copies of the Facility Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder of the County.

(iii) Certificate of the County, evidencing that the annual fair rental value of the substitute Facilities will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending June 15 or in any subsequent year ending June 15.

(iv) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the Facilities.

(v) A leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the Facilities after such substitution in an amount at least equal to the amount of such insurance provided with respect to the Facilities prior to such substitution; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in such Substitute Property subject only to such exceptions as do not substantially interfere with the County's right to use and occupy such Substitute Property and as will not result in an abatement of Base Rental Payments payable by the County under the Facility Lease, as evidenced by a Certificate of the County.

(vi) An Opinion of Counsel stating that such substitution (i) complies with the Constitution and laws of the State and the terms of the Trust Agreement and this Facility Lease and (ii) will not cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

(b) The County and the Authority may release real property from the Site Lease and this Facility Lease, but only after the County shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Site Lease and this Facility Lease or amendments thereto containing the amended description of the Projects and the Facilities.

(ii) A Certificate of the County with copies of the Site Lease and this Facility Lease, if needed, or amendments thereto containing the amended description of the Facilities stating that such documents shall be duly recorded in the official records of the County Recorder of the County.

(iii) A Certificate of the County that the annual fair rental value of the Facilities after the release of property (which may be based on the construction or acquisition cost, replacement cost or insured value of such facility to the County) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending June 15 and in every subsequent year ending June 15 and which shall be no less than the debt service coming due on the Bonds then Outstanding under the Trust Agreement in the then current year or in each subsequent year.

(iv) A leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the Facilities after such release in an amount at least equal to the aggregate principal amount of the Bonds Outstanding as of the date of such release; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in the Facilities, as revised by such release, subject only to such exceptions as do not substantially interfere with the County's right to use and occupy such Facilities, as revised by such release, and as will not result in an abatement of Base Rental Payments payable by the County under the Facility Lease, as evidenced by a Certificate of the County.

(v) An Opinion of Counsel (as such term is defined in the Trust Agreement) stating that such amendment or modification (i) is permitted by and complies with the Constitution, the laws of the State, and the terms of the Trust Agreement and this Facility Lease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County in accordance with its terms; and (iii) will not cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes."

Section 11.06 Amendment to Section 3.01. From and after the effective date of this instrument, Section 3.01 of the Facility Lease is hereby amended to read as follows:

"SECTION 3.01. Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments comprised of the principal components, and semi-annual interest components in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. The County is hereby directed to pay all such Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. Base Rental Payments shall be calculated on an annual basis, for each Rental Payment Period, and each annual Base Rental shall be divided into two interest components, due on December 15 and June 15, and one principal component, due on June 15, except that the first Rental Payment Period commences on the date of recordation of this Facility Lease and ends on June 15, 2015. Each Base Rental Payment installment shall be payable seven (7) Business Days before its due date. The interest components of the Base Rental Payments shall be paid by the County as and constitute interest paid on the principal components of the Base Rental Payments to be paid by the County hereunder, computed on the basis of a 360-day year composed of twelve 30-day months. Each annual payment of Base Rental (to be payable in installments as aforesaid) shall be for the use of the Facilities following the completion of the construction of the respective Projects for the twelve month period commencing on the June 16 of the period in which such installments are payable.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on December 15 and June 15 in each year, and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Facility Lease. Upon such extension of this Facility Lease, the County shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule, which schedule shall establish the principal and interest components of the Base Rental Payments at amounts not exceeding maximum annual Base Rental payable hereunder but sufficient to pay all unpaid principal and interest on the Bonds and Related Obligations plus interest.

If at any time the Base Rental shall not have been paid by the County when due, for any reason whatsoever, and no other source of funds shall have been available to make the payments of principal and interest on the Bonds, the principal and interest components of the Base Rental shall be recalculated by the County to reflect interest on the unpaid Base Rental Payments as provided in Section 3.04. Upon request by the Authority or the Trustee, a revised Exhibit B to this Facility Lease shall be prepared by the County and supplied to the Authority and the Trustee reflecting such recalculation.

[In connection with the issuance of the Series 2021 Bonds, the County will benefit from a reduction in Base Rental Payments associated with the refinancing from the proceeds of the Series 2021 Bonds and in order to assist such refinancing the County agrees to pay, on the date of issuance of the Series 2021 Bonds, $[County Escrow Deposit], or such lesser amount needed to fund the escrow for the 2014 Series A Bonds being refunded, from the amount of Base Rental Payments otherwise payable on [DATES] such amount relating to Base Rental allocated to the payment of [interest] on the 2014 Series A Bonds being refinanced.]"

Section 11.07 <u>Amendment to Section 3.03</u>. The amendments in this Section 11.07 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.07. Section 3.03 of the Facility Lease is hereby amended to include the following additional paragraph:

"The County and the Authority hereby acknowledge that the fair rental value of the Facilities may increase over time and that such increase may serve as the basis for amendments to the Base Rental Payment Schedule pursuant to Section 2.03 hereof or Article III of the Trust Agreement in connection with the issuance of Additional Bonds."

Section 11.08 Amendment to Section 3.07. (a) From and after the effective date of this instrument, Section 3.07(a) of the Facility Lease is hereby amended to read as follows:

"(a) The parties hereto agree that the proceeds of the Bonds will be used to finance the respective Projects and to pay the costs of issuing the Bonds and incidental and related expenses. Any proceeds of the Bonds not needed for the Projects may be used by the County for other capital expenditures as permitted by law.

The County hereby agrees to reimburse itself for the acquisition costs and related expenses of the Projects from the proceeds of the Bonds provided to the County by the Authority in consideration for the leasehold interest in the real property comprising the Facilities.

The Authority agrees to cooperate fully with the County with respect to improvements to the Projects pursuant to such plans or specifications as the County may provide from time to time. The County plans to use its own funds to finance certain improvements to the buildings that comprise the Projects. The construction of such improvements will not interfere with the County's use and occupancy of the Facilities nor will failure of the County to complete the improvements to the Projects cause an abatement of Base Rental hereunder."

(b) From and after the effective date of this instrument, there shall be added to Section 3.07 of the Facility Lease the following paragraphs, which shall read as follows:

"(c) Construction of 2021 Project. The Authority hereby agrees to construct the 2021 Project and hereby appoints the County as its agent to construct the 2021 Project. The County for good and valuable consideration hereby accepts such appointment further represents and warrants as follows:

1. The County has heretofore approved the plans and specifications for the 2021 Project and has satisfied all State approval, environmental and construction permit requirements applicable thereto.

2. The County has entered into a construction contract for the construction of the 2021 Project, providing for the

construction of the 2021 Project, which contract identifies a construction completion date of [Construction Completion] (subject to extension) at a cost of $[Construction Cost] based on a scope of work determined as of [Scope of Work Date].

3. The County has commenced construction of the 2021 Project.

4. The Authority and the County agree that the 2021 Project has been and will be constructed in accordance with the plans and specifications prepared by the Architects and approved by the County and any other authorities having jurisdiction. The Authority and the County further agree that the 2021 Project will be substantially completed in accordance with said plans and specifications within the time limits set forth in said construction contract.

5. The County agrees that upon substantial completion of the 2021 Project it will take possession of and occupy throughout the term of this Facility Lease, subject to substitution pursuant to Section 2.03, the 2021 Project and the Demised Premises under the terms and provisions of this Facility Lease. Such substantial completion shall be evidenced either by a certificate of completion by the County or by the occupancy by the County of the 2021 Project. The time within which the Contractor is required to complete the 2021 Project shall be extended for a period equal to any extensions of time to which the Contractor is entitled under the construction contract and any delays in construction resulting from other causes and events not within the reasonable control of the Contractor or of the Authority.

6. The County may alter the 2021 Project or issue change orders altering the construction contract plans and specifications during the course of construction, if such changes do not materially reduce or diminish the capacity, adaptability or usefulness of the 2021 Project, and the Authority agrees to cooperate fully with the County to cause such change orders to be implemented. Before the Authority shall issue any such change orders which, together with all other change orders, would increase the aggregate cost of construction of the 2021 Project above the moneys available or to be available for such purpose in the Project Fund, or delay completion of the 2014 Project beyond the date set forth above, the County shall arrange with the Authority to pay the increased cost resulting from such change orders, or to pay the Base Rental Payments to become due and payable after the dates set forth in Section 2.02(e), until such time as the 2021 Project shall be scheduled to be completed, and, shall deposit funds sufficient to pay

> such increased cost or such Base Rental Payments, as the case may be, with the Trustee."

Section 11.09 Amendment to Section 5.03. From and after the effective date of this instrument, Section 5.03 of the Facility Lease is hereby amended to read as follows:

> "SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. [During the period of construction of the 2014 Project and 2021 Project, respectively, casualty insurance for the construction amount shall be provided by the Construction Manager or by a Contractor under a construction contract referred to in Section 3.07 hereof or in the corresponding section of any amendment hereto. Commencing with its use and occupancy of the 2021 Project,] the County shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof in an amount at least equal to the maximum Base Rental Payments coming due and payable during any two consecutive Fiscal Years during the remaining term of this Facility Lease, except that such insurance may be subject to a deductible clause of not to exceed five hundred thousand dollars ($500,000) or a comparable amount adjusted for inflation. Any proceeds of such insurance shall be used by the Trustee to reimburse to the County any rental theretofore paid by the County under this Facility Lease attributable to such structure for a period of time during which the payment of rental under this Facility Lease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement. The County shall not be entitled to self-insure for rental interruption insurance."

Section 11.10 Amendment to Section 5.08. From and after the effective date of this instrument, Section 5.08 of the Facility Lease is hereby amended to read as follows:

> ["SECTION 5.08. Performance Bonds for Construction. The County, as agent of the Authority, shall maintain performance, labor and material payment bonds for each construction contract with respect to the 2014 Project and the 2021 Project, respectively, in the full amount of each contract naming the County as obligee and the contractor as principal."]

Section 11.11 Amendment to Section 7.02. (a) The amendments in this Section 11.11 shall become effective when the 2014 Series A Bonds issued under the Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Facility Lease shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Section 11.11. Section 7.02(b) of the Facility Lease is hereby amended to read as follows:

> "(b) If all requirements of Section 10.01 of the Trust Agreement have been satisfied, the County may prepay, from any source of available funds, all or any portion of Base Rental Payments by depositing with the Trustee moneys or securities as provided in Article X of the Trust Agreement sufficient to defease Bonds corresponding to such Base Rental Payments when due; provided, if required by the Trust Agreement, that the County furnishes the Trustee with an Opinion of Counsel that such deposit will not cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes. The County agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments."

(b) From and after the effective date of this instrument, there shall be added to Section 7.02(d) of the Facility Lease is hereby amended to read as follows:

> "(d) When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the County may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient moneys and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal, premium, if any, and interest on all or a portion of the Bonds to the due date of said Bonds or date when the County may exercise its option to purchase the Facilities, as the case may be; (2) all requirements of Section 10.01 of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid (if necessary), then and in that event the right, title and interest of the Authority herein and the obligations of the County hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied with respect to all or a portion of the Facilities (except for the right of the Authority and the obligation of the County to have such moneys and such Permitted Investments applied to the payment of the Base Rental

Payments or option price) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the County. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the County to be prepared and filed with the Authority and evidence such discharge and satisfaction, and the Authority shall pay over to the County as an overpayment of Base Rental Payments all such moneys or Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment of the Base Rental Payments or the option price and the fees and expenses of the Trustee."

Section 11.12 Amendment to Section 8.05. From and after the effective date of this instrument, Section 8.05 of the Facility Lease is hereby amended to read as follows:

"Assignment and Subleasing. Neither this Facility Lease nor any interest of the County hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the County by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest on the Tax-Exempt Bonds. No such mortgage, pledge, assignment, lease or transfer shall in any event affect or reduce the obligation of the County to make the Base Rental Payments and Additional Payments required hereunder."

Section 11.13 Amendment to Section 8.07. From and after the effective date of this instrument, Section 8.07 of the Facility Lease is hereby amended to read as follows:

"Tax Covenants. The Authority and the County hereby covenant that they shall not take any action or inaction, or fail to take any action, or permit any action to be taken on their behalf or cause or permit any circumstances within their control to arise or continue, if such action or inaction would cause the interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. This covenant shall survive the payment in full of the Tax-Exempt Bonds.

If at any time the Authority or the County is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the

> Trustee under this Trust Agreement, the Authority or the County shall so instruct the Trustee in a Request of the Authority or the County accompanied by a supporting Opinion of Bond Counsel, and the Trustee shall take such action as may be directed in accordance with such instructions.
>
> Notwithstanding any provisions of this Section, if the Authority or the County shall receive an Opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Authority and the County may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.
>
> In furtherance of the covenants of the County and the Authority set forth above, the County will comply with the Tax Certificate and will instruct the Trustee in writing as necessary to comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the County hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority and the Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions."

Section 11.14 Use of Proceeds of the Series 2021 Bonds. The parties hereto agree that the proceeds of the Series 2021 Bonds will be used to finance the 2021 Capital Improvements, to refund a portion of the 2014 Series A Bonds of the Authority to pay capitalized interest on the Series 2021 Bonds and to pay costs of issuance related thereto. Proceeds of the Series 2021 Bonds may also be used to pay costs related thereto as specified in the First Supplemental Trust Agreement. For the purposes of the 2021 Capital Improvements, the Authority hereby appoints the County as its agent to design and construct such 2021 Capital Improvements and the County agrees to such appointment and agrees to cause the substantial completion of the 2021 Project by [Completion Date]. The County covenants and agrees to proceed to design and construct the 2021 Capital Improvements from proceeds of the Series 2021 Bonds, with due diligence until completion. The County may amend the 2021 Project and/or the 2021 Capital Improvements by delivering a certificate to the Authority and the County containing the amendment and certifying that such amendment does not adversely affect the exclusion from gross income of interest on the Bonds or the substantial completion schedule for the 2021 Project; provided that the County may extend the completion schedule of the 2021 Project if additional funds are provided for capitalized interest until the extended Completion Date.

Section 11.15 Increase to Base Rental Payments; Prepayment. From and after the effective date of this instrument, Exhibit B attached to the Facility Lease, the Base Rental Payments, shall be amended and restated as set forth in Exhibit B attached hereto. The Base Rental Payments set forth in Exhibit B payable by the County hereunder in each Fiscal Year are at least equal to Debt Service, including Debt Service on the Series 2021 Bonds, in each Fiscal Year. The County may prepay Base Rental and cause a corresponding redemption of Bonds at the times and in the manner contemplated by the Trust Agreement.

Section 11.16 Title Insurance. The County shall obtain upon the execution and delivery of this First Amendment to Facility Lease policies of title insurance on the additional property being added to the Demised Premises in an amount approximating the construction cost of the 2021 Project issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance shall be delivered to the Trustee as a prepayment of rent pursuant to Section 7.02 of the Facility Lease and shall be applied by the Trustee to the redemption of Bonds pursuant to Section 4.01 and Section 14.01 of the Trust Agreement.

Section 11.17 Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least 25% aggregate principal amount of Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 11.08.

Section 11.18 Trust Agreement. The parties hereto acknowledge that the County is a third-party beneficiary to the Trust Agreement, and the Authority hereby agrees that during the term of the Facility Lease and provided the County is not in default hereunder, it will not amend the Trust Agreement in any manner materially adverse to the interests of the County without the Consent of the County.

Section 11.19 Facility Lease in Full Force and Effect. Except as in this First Amendment to Facility Lease expressly provided, the Facility Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby.

Section 11.20 Execution in Counterparts. This First Amendment to Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same First Amendment to Facility Lease. It is also agreed that separate counterparts of this First Amendment to Facility Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

IN WITNESS WHEREOF, the Authority and the County have caused this First Amendment to Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY,
as Lessor

By ________________________________
Paul T. Scannell
President

COUNTY OF SAN MATEO,
as Lessee

By ________________________________
Roberto Manchia
Budget Director

EXHIBIT A

Addition to Demised Premises

2021 Project
(Cordilleras Mental Health Center, San Mateo County, California)

All that certain real property situated in the County of San Mateo, State of California, described as follows.

[To come]

EXHIBIT B

Base Rental Payment Schedule

[To come]

EXHIBIT C

Lease Terms of Projects

Projects	Term	Maximum Extension
2014 Project	June 15, 2037	June 15, 2047
2021 Project	[2021 Term]	[2021 Extended Term]

EXHIBIT D

Capital Projects Description

"Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, installation, implementation and construction of certain projects of the County, specifically the 2014 Project and 2021 Project described as follows:

2014 Project. The Maple Street Correctional Center, upon completion of construction, will consist of a 275,000 square foot three-story housing unit, including 60,000 square feet of unfinished space for future expansion (the "Shell"), an administrative wing, and a surface parking lot that will accommodate 185 vehicles. The housing unit is designed to accommodate a total of 576 beds for both men and women, with the option to develop the Shell to house 256 additional inmates in the future. The first floor of the two-story support wing will include inmate processing, a natural light-filled visitor lobby, video visitation, kitchen, laundry and loading docks. The second floor of the two-story support wing will include jail administration, transitional housing, a medical clinic, locker rooms and staff dining with an outdoor dining area. The transitional housing area will include 88 beds for inmates participating in such programs. The 2014 Project also includes the development of the site, demolition of existing structures and soil remediation.

2021 Project. [Cordilleras Mental Health Center project description to come.]

[INSERT NOTARY FORMS]

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance dated [Closing Date] is entered into by the County of San Mateo, a body corporate and politic and a political subdivision of the State of California (the "County").

WITNESSETH

In consideration of the covenants herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County does hereby agree as follows:

The interest in real property leased by the San Mateo County Joint Powers Financing Authority to the County, under the First Amendment to Facility Lease, dated as of June 1, 2021, is hereby accepted by order of the undersigned officer on behalf of the County pursuant to authority conferred by Resolution No. [______] of the County adopted on May 18, 2021, and the grantee consents to recordation thereof by its duly authorized officer.

IN WITNESS WHEREOF, the County has executed this Acceptance as of the date first written above.

COUNTY OF SAN MATEO

By___________________________
Roberto Manchia
Budget Director

4152-3714-5645.2

CONSENT OF TRUSTEE

The undersigned, as trustee under the Trust Agreement dated as of April 1, 2014, as amended, between the San Mateo County Joint Powers Financing Authority (the "Authority") and the trustee hereby acknowledges and consents to the execution and delivery of the First Amendment to Facility Lease dated as of June 1, 2021, between the Authority and the County of San Mateo (the "County") relating to the Facility Lease dated as of April 1, 2014, between the Authority and the County.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By ______________________________
Authorized Officer

4152-3714-5645.2

OH&S Draft: 04/12/2021

FIRST SUPPLEMENTAL TRUST AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION

and the

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

Dated as of June 1, 2021

RELATING TO
$[NEW MONEY PAR AMOUNT] SAN MATEO COUNTY
JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS
(REFUNDING AND CAPITAL PROJECTS), 2021 SERIES A-1

$[REFUNDING PAR AMOUNT] SAN MATEO COUNTY
JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS
(REFUNDING AND CAPITAL PROJECTS), 2021 SERIES A-2 [(FEDERALLY TAXABLE)]

(Supplementing the Trust Agreement
dated as of April 1, 2014)

4157-4498-4109.2

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FIRST SUPPLEMENTAL TRUST AGREEMENT

This FIRST SUPPLEMENTAL TRUST AGREEMENT, dated as of June 1, 2021 (the "First Supplemental Trust Agreement"), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (together with any successor thereto, the "Trustee"), and the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority, duly organized and validly existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo"; being supplemental to the Trust Agreement, dated as of April 1, 2014, by and between the Trustee and the Authority;

W I T N E S S E T H:

WHEREAS, the County of San Mateo (the "County") has leased certain real property and improvements thereon to the Authority pursuant to a Site Lease, dated as of April 1, 2014 (herein, together with amendments from time to time thereto, called the "Site Lease");

WHEREAS, the Authority has acquired and constructed certain facilities, buildings and equipment and leased said facilities, buildings and equipment to the County pursuant to a Facility Lease, dated as of April 1, 2014 (herein, together with amendments from time to time thereto, called the "Facility Lease");

WHEREAS, the Trustee and the Authority have heretofore executed the Trust Agreement, dated as of April 1, 2014, as supplemented, including as supplemented by this First Supplemental Trust Agreement dated as of June 1, 2021 (herein, collectively called the "Trust Agreement");

WHEREAS, heretofore the Authority has issued pursuant to the Trust Agreement $175,065,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the "2014 Series A Bonds" and, together with the other bonds issued pursuant to the Trust Agreement, the "Bonds");

WHEREAS, under the Facility Lease, the County is obligated to make base rental payments to the Authority for the lease of the Project;

WHEREAS, all rights to receive such base rental payments have been pledged without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, the Authority may at any time issue Additional Bonds payable from, and secured by a pledge of and lien upon, the Revenues, as provided in Section 3.03 of the Trust Agreement, provided that the proceeds of such Additional Bonds be applied to, among other things, the construction of additional Facilities or the refunding of any Bonds then Outstanding;

WHEREAS, the County desires to acquire, construct and improve certain health facilities located in the County (as more fully defined herein, the "2021 Project" and the "2021 Capital Improvements") and for the purpose of financing such acquisition, construction and improvement has requested the Authority to issue Additional Bonds pursuant to the Trust Agreement and the County has agreed to pay base rental payments for the 2021 Project pursuant to a First Amendment to Facility Lease;

WHEREAS, the Authority has agreed to issue bonds entitled "San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1" (the "New Money Series 2021 Bonds"), in the aggregate principal amount of $[New Money Par Amount] pursuant to this First Supplemental Trust Agreement, for the purpose of financing the 2021 Capital Improvements, paying costs of issuance of the New Money Series 2021 Bonds and paying capitalized interest on the New Money Series 2021 Bonds;

WHEREAS, in order to provide for the refinancing of County facilities, the County has requested that the Authority refund [all or a portion] of the Outstanding 2014 Series A Bonds (as hereinafter defined, the "2014 Refunded Bonds");

WHEREAS, for the purpose of refunding the 2014 Refunded Bonds, the Authority has agreed to issue refunding bonds entitled "San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 [(Federally Taxable)]" (the "Refunding Series 2021 Bonds" and, together with the New Money Series 2021 Bonds, the "Series 2021 Bonds"), in the aggregate principal amount of $[Refunding Par Amount], which bonds will be issued to advance refund the 2014 Refunded Bonds, pursuant to this First Supplemental Trust Agreement;

WHEREAS, after such refunding, besides a portion of the 2014 Series A Bonds which may remain unrefunded and outstanding, only the Series 2021 Bonds issued hereunder will be outstanding;

WHEREAS, the Series 2021 Bonds will be payable from Revenues on a parity basis with the outstanding 2014 Series A Bonds, and any Additional Bonds hereafter issued by the Authority under the Trust Agreement;

WHEREAS, pursuant to an Escrow Agreement, dated as of June 1, 2021, by and between the Authority and U.S. Bank National Association as escrow agent (the "Escrow Agent"), certain proceeds of the Refunding Series 2021 Bonds will be deposited into an escrow fund (the "Escrow Fund") and irrevocably pledged to repay the 2014 Refunded Bonds, thereby defeasing the 2014 Refunded Bonds; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute the Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this First Supplemental Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the Trust

Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE XII

ADDITIONAL DEFINITIONS

SECTION 12.01 Additional Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Trust Agreement and of any amendment hereof or supplement hereto and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein and to the extent the definitions in this Section differ from the definitions of such terms contained in Section 1.01 shall be amended accordingly. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facility Lease.

"Capital Projects" means the various public capital improvements and projects, including, but not limited to the acquisition, construction, installation, implementation, equipping and improvement of the 2014 Project and the 2021 Project, as described in the Facility Lease, as the same may be amended from time to time by a Certificate of the County delivered to the Trustee, to be financed by a portion of the proceeds of the 2014 Series A Bonds and the Series 2021 Bonds, respectively.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement among the Authority, the County and the Dissemination Agent dated as of April 1, 2014, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and the Continuing Disclosure Agreement between the County and the Dissemination Agent, dated as of [Closing Date], with respect to the Series 2021 Bonds.

"Dissemination Agent" shall mean, initially, U.S. Bank National Association, its successors and assigns, or any other successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Escrow Agent" means U.S. Bank National Association, or its successor thereto.

"Escrow Agreement" means that certain Escrow Agreement, by and between the Escrow Agent and the Authority, dated as of June 1, 2021, providing for the defeasance and prepayment of the 2014 Refunded Bonds.

"Escrow Fund" means the fund of the same name defined in the Escrow Agreement.

"Facilities" shall mean the real property and the improvements thereon, as set forth in Exhibit A to the Facility Lease, or any County buildings, other improvements and facilities added thereto or substituted therefor, or remaining after the exercise of the option to purchase thereof or remaining after release therefrom, or any portion thereof, in accordance with the Facility Lease and this Trust Agreement, subject, however, to any conditions, reservations and easements of record and known to the County.

"Facility Lease" means that certain lease, entitled "Facility Lease," by and between the Authority and the County, dated as of April 1, 2014, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County on May 13, 2014 under Recorder's Serial No. 2014-041380, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof including the First Amendment to Facility Lease.

"First Amendment to Facility Lease" means that certain lease and instrument, entitled "First Amendment to Facility Lease," by and between the Authority and the County, dated as of June 1, 2021, which instrument or a memorandum thereof was recorded in the office of the County Recorder of the County on [Recording Date] under Recorder's Serial No. 2021-[______], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"First Amendment to Site Lease" means that certain lease and instrument, entitled "First Amendment to Site Lease," by and between the County and the Authority, dated as of June 1, 2021, which instrument or a memorandum thereof was recorded in the office of the County Recorder of the County on [Recording Date] under Recorder's Serial Number 2021-[_____], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

"First Supplemental Trust Agreement" means this First Supplemental Trust Agreement, dated as of June 1, 2021, by and between the Trustee and the Authority, executed and delivered in accordance with the Trust Agreement and which is supplemental to the Trust Agreement.

"New Money Series 2021 Bonds" means the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 issued by the Authority under and pursuant to the Trust Agreement and this First Supplemental Trust Agreement, the proceeds of which will be applied to the financing of the 2021 Capital Improvements and to the payment of costs related thereto.

"Permitted Encumbrances" means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to the Facility Lease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facility Lease in the office of the County Recorder of the County of San Mateo and which the County certifies in writing will not materially impair the use of the Facilities; (3) the Site Lease, as it may be amended from time to time and the Facility Lease, as it may be amended from time to time; (4) this Trust Agreement, as it may be amended from time to time; (5) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (6) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the County consent in writing and certify to the Trustee will not materially impair the leasehold interests of the Authority or use of the Facilities by the County; and (7) subleases and assignments of the County which will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds.

"**Project"** or **"Projects"** means, individually or collectively, as applicable, the 2014 Project, the 2021 Project or any County facility or facilities substituted for the Project or any portion thereof in accordance with the Facility Lease and the Trust Agreement.

"Rating Agency" means any nationally recognized credit rating service selected and designated by the County and providing a rating on the Bonds at the request of the County, and shall initially mean and refer to Moody's, S&P or Fitch.

"Refunding Series 2021 Bonds" means the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 [(Federally Taxable)] issued by the Authority under and pursuant to the Trust Agreement and this First Supplemental Trust Agreement, the proceeds of which will be applied to refunding and defeasance of [all or a portion] of the 2014 Refunded Bonds and to the payment of costs related thereto.

"Series 2021 Bonds" means, collectively, the New Money Series 2021 Bonds and the Refunding Series 2021 Bonds.

"Site Lease" means that certain lease, entitled "Site Lease," by and between the County and the Authority, dated as of April 1, 2014, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County on May 13, 2014 under Recorder's Serial Number 2014-041379, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof including the First Amendment to Site Lease.

"S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, which is a subsidiary of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other Rating Agency.

"Tax-Exempt Bonds" means any Series of Bonds interest on which is intended by the Authority to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

"2014 Refunded Bonds" means [all or a portion] of the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center), as set forth in Exhibit B hereto.

"2021 Capital Improvements" means the 2021 Project, including demolition, site development, landscaping, utilities, fixtures, furnishings, equipment, improvement and appurtenant and related facilities.

"2021 Capitalized Interest Account" means the account by that name established pursuant to Section 14.01 of this First Supplemental Trust Agreement.

"2021 Costs of Issuance Fund" means the fund by that name established pursuant to Section 14.01 of this First Supplemental Trust Agreement.

"2021 Project" means the acquisition, construction, installation, equipping and improvement of the Cordilleras Mental Health Center, and payment of any costs associated with financing of said project, as set forth in Exhibit D to the Facility Lease as the same may be changed from time to time, in accordance with Section 3.07 of the Facility Lease.

ARTICLE XIII

TERMS AND CONDITIONS OF THE SERIES 2021 BONDS

SECTION 13.01 Authorization of Series 2021 Bonds. Two Series of Bonds are hereby created and, notwithstanding Section 2.01(a), designated "San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1" and "San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 [(Federally Taxable)]," respectively. The aggregate principal amount of New Money Series 2021 Bonds which may be issued and Outstanding under the Trust Agreement shall not exceed [new money par amount written out] dollars ($[New Money Par Amount]). The aggregate principal amount of Refunding Series 2021 Bonds which may be issued and Outstanding under the Trust Agreement shall not exceed [refunding par amount written out] dollars ($[Refunding Par Amount]). The Series 2021 Bonds shall be payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing the Outstanding Bonds. The Series 2021 Bonds are issued in accordance with Section 3.03 and 3.04, as amended, including delivery of a Certificate of the County as required by Section 3.04(e).

The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2021 Bonds in the form and manner provided herein for the purpose of providing funds to finance the 2021 Capital Improvements and refund and defease [all or a portion] of the 2014 Refunded Bonds, and that the Series 2021 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

SECTION 13.02 Terms of the Series 2021 Bonds. The New Money Series 2021 Bonds shall be in the aggregate principal amount of $[New Money Par Amount], consisting of all Current Interest Bonds. The Refunding Series 2021 Bonds shall be in the aggregate principal amount of $[Refunding Par Amount], consisting of all Current Interest Bonds. The Series 2021 Bonds shall be Fixed Rate Bonds, and shall be dated the date of issuance thereof, shall be issued only in fully registered form in denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) (not exceeding the principal amount of Series 2021 Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following schedules:

New Money Series 2021 Bonds

Maturity Date (June 15)	Principal Amount	Interest Rate
	$	%
*		

[*] Term Bond

Refunding Series 2021 Bonds

Maturity Date (June 15)	Principal Amount	Interest Rate
	$	%

Maturity Date (June 15)	Principal Amount	Interest Rate
*		

[*] Term Bond

SECTION 13.03 Payment of the Series 2021 Bonds. The principal of the Series 2021 Bonds shall be payable by check in lawful money of the United States of America upon surrender thereof by the Bondholder at the Principal Corporate Trust Office of the Trustee.

The Series 2021 Bonds shall bear interest at the rates set forth above, payable on December 15, 2021, and semi-annually thereafter on June 15 and December 15 in each year until maturity or prior redemption thereof.

Each Series 2021 Bond shall bear interest payable to the registered owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date or during the period from the first (1st) day of the month containing an Interest Payment Date to such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before December 1, 2021, being the first Record Date for the Series 2021 Bonds, in which event they shall bear interest from its date; provided, however, that if at the time of authentication of any Series 2021 Bond interest is then in default on the Outstanding Series 2021 Bonds, such Series 2021 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2021 Bonds.

Payment of interest on the Series 2021 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2021 Bonds registration books kept by the Trustee pursuant to Section 13.08 as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed by first-class mail on each Interest Payment Date to such registered owner at the address as it appears in such books; provided that upon the written request of a Bondholder of $1,000,000 or more in aggregate principal amount of Series 2021 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds to an account at a financial institution in the United States of America.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Bondholder in whose name the Bond is registered at the close of business on a special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Bondholders not less than ten (10) days prior to such special Record Date.

SECTION 13.04 Form of Series 2021 Bonds. The Series 2021 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A hereto attached and by this reference herein incorporated.

SECTION 13.05 Execution of Series 2021 Bonds. The President or Vice President of the Authority is hereby authorized and directed to execute each of the Series 2021 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2021 Bonds on behalf of the Authority. The signatures of such President or Vice President and Secretary may be printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series 2021 Bonds shall cease to be such officer before the delivery of the Series 2021 Bonds to the purchasers thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series 2021 Bonds.

Only those Series 2021 Bonds bearing thereon a certificate of authentication in the form set forth in Exhibit A hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series 2021 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 13.06 Transfer and Payment of Series 2021 Bonds. Any Series 2021 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 13.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2021 Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2021 Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of authorized denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Series 2021 Bonds as the absolute owner of such Series 2021 Bonds for the purpose of receiving payment thereof and for all other purposes, whether such Series 2021 Bonds shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Series 2021 Bonds shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Series 2021 Bonds to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Series 2021 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2021 Bond selected for redemption in whole or in part as provided in Section 15.01(d) or during the period established by the Trustee for selection of Series 2021 Bonds for redemption.

SECTION 13.07 Exchange of Series 2021 Bonds. Series 2021 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Series 2021 Bonds of the same Series and maturity of other authorized denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Series 2021 Bond which has been selected for redemption in whole or in part from and after the day of mailing of a notice of redemption of such Series 2021 Bond selected for redemption in whole or in part as provided in Section 15.01(d) or during the period established by the Trustee for selection of Series 2021 Bonds for redemption.

SECTION 13.08 Series 2021 Bonds Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Series 2021 Bonds which shall during normal business hours be open to inspection by the Authority, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Series 2021 Bonds in such books as hereinabove provided.

SECTION 13.09 Mutilated, Destroyed, Stolen or Lost Series 2021 Bonds. If any Series 2021 Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Series 2021 Bond of like tenor and amount in exchange and substitution for the Series 2021 Bond so mutilated, but only upon surrender to the Trustee of the Series 2021 Bond so mutilated. Every mutilated Series 2021 Bond so surrendered to the Trustee shall be cancelled.

If any Series 2021 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Series 2021 Bond of like series and tenor in lieu of and in substitution for the Series 2021 Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Series 2021 Bond issued under this Section 13.09 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Series 2021 Bond issued under the provisions of this Section in lieu of any Series 2021 Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of the Trust Agreement with all other Bonds of the same Series secured by the Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Series 2021 Bond and any replacement Series 2021 Bond as being Outstanding for the purpose of determining the principal amount of Series 2021 Bonds which may be issued hereunder or for the purpose of determining any percentage of Series 2021 Bonds Outstanding hereunder, but both the original and replacement Series 2021 Bond shall be treated as one and the same.

SECTION 13.10 Temporary Series 2021 Bonds. The Series 2021 Bonds issued under the Trust Agreement may be initially issued in temporary form exchangeable for definitive Series 2021 Bonds when ready for delivery. The temporary Series 2021 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of the Trust Agreement as may be appropriate. Every temporary Series 2021 Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Series 2021 Bonds it will execute and furnish definitive Series 2021 Bonds without delay and thereupon the temporary Series 2021 Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee and the Trustee shall deliver in exchange for such temporary Series 2021 Bonds an equal aggregate principal amount of definitive Series 2021 Bonds of authorized denominations. Until so exchanged, the temporary Series 2021 Bonds shall be entitled to the same benefits under the Trust Agreement as definitive Series 2021 Bonds delivered hereunder.

SECTION 13.11 Validity of Series 2021 Bonds. The recital contained in the Series 2021 Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Series 2021 Bonds shall be incontestable from and after their issuance. The Series 2021 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2021 Bonds (or any temporary Series 2021 Bonds exchangeable therefor) shall have been delivered to the purchasers thereof and the proceeds of sale thereof received.

SECTION 13.12 Special Covenants as to Book-Entry Only System for Series 2021 Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 13.12, all of the Series 2021 Bonds initially issued shall be issued as Book-Entry Bonds registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to DTC procedures. Payment of the interest on any Series 2021 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2021 Bonds to the account, in the manner and at the address indicated by DTC procedures.

(b) The Series 2021 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2021 Bonds, representing the aggregate principal amount of the Series 2021 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2021 Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 13.08 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to DTC procedures. Except as otherwise expressly provided herein, the Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2021 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2021 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary.

Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 13.12, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2021 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2021 Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2021 Bonds, or (v) any consent given or other action taken by DTC as Bondholder of the Series 2021 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2021 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with DTC procedures, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Series 2021 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2021 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 13.12.

(c) In the event that the Authority determines that the Series 2021 Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Series 2021 Bonds will be transferable in accordance with subsection (f) of this Section 13.12. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds or a portion thereof at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2021 Bonds will be transferable in accordance with subsection (f) of this Section 13.12. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 13.12 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2021 Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2021 Bonds then Outstanding. In such event, the Series 2021 Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 13.12, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of the Trust Agreement to the contrary, so long as all Series 2021 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2021 Bond and all notices with respect to each such Series 2021 Bond shall be made and given, respectively, to DTC as provided in accordance with DTC procedures.

(e) The Trustee is hereby authorized and requested to execute and deliver the DTC Blanket Letter of Representations and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.

(f) In the event that any transfer or exchange of Series 2021 Bonds is authorized under subsection (b) or (c) of this Section 13.12, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2021 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 13.05 and 13.06. In the event Series 2021 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2021 Bonds, another securities depository as holder of all the Series 2021 Bonds, or the nominee of such successor securities depository, the provisions of Sections 13.05 and 13.06 shall also apply to, among other things, the registration, exchange and transfer of the Series 2021 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2021 Bonds.

SECTION 13.13 <u>Continuing Disclosure</u>. Pursuant to Section 11.08 of the Facility Lease, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to such disclosure matters. If the Trustee is the Dissemination Agent, the Trustee hereby covenants and agrees that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the County or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Continuing Disclosure Agreement or to cause the Trustee to comply with its obligations under this Section 13.13. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE XIV

PROCEEDS OF SERIES 2021 BONDS

SECTION 14.01 <u>Procedure for the Issuance of Series 2021 Bonds</u>. At any time after the sale of the Series 2021 Bonds in accordance with the Act, the Authority shall execute the Series 2021 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2021 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Series 2021 Bonds from the purchaser thereof, the Trustee shall set aside and deposit the remaining proceeds received from such sale, in the following respective accounts or funds or with the following respective entities, in the following order of priority:

(a) The Trustee shall deposit $[Project Deposit] of the proceeds of the New Money Series 2021 Bonds in the 2021 Project Account, which is hereby created in the Project Fund. All moneys in the 2021 Project Account shall be held by the Trustee in trust on behalf of the County and the Bondowners and applied by the Trustee to the payment of costs of the 2021 Capital Improvements and of expenses incident thereto (or for making reimbursements to the Authority or County or any other person, firm or corporation for such costs therefore or thereafter paid by him or it), or, if prior to completion of the 2021 Capital Improvements, there are excess moneys in the 2021 Project Account, to the payment of interest on the Series 2021 Bonds. Before any payments are made from the 2021 Project Account by the Trustee, the County shall cause a Written Request of the County to be filed with the Trustee in the form specified in Section 3.02 for payments from the 2021 Project Account. Upon the occurrence of an event of default under the Trust Agreement, the Trustee may, apply moneys on deposit in the 2021 Project Account to payment of the principal of and interest on the Bonds. The Trustee shall not be responsible for determining whether funds on hand in the 2021 Project Account are sufficient to complete the 2021 Capital Improvements. The Trustee shall not be responsible to collect lien waivers, nor shall the Trustee be responsible for determining that any disbursements constitute costs related to the 2021 Capital Improvements.

(b) The Trustee shall transfer and deposit $[Escrow Deposit] of the Refunding Series 2021 Bonds into a separate fund designated the “2021 Escrow Fund,” which is created pursuant to the Escrow Agreement for the refunding of the 2014 Refunded Bonds and apply such proceeds, [together with the moneys released from the Reserve Fund,] to the redemption of the 2014 Refunded Bonds on the date set for redemption in accordance with the directions of the County and the Authority.

(c) The Trustee shall deposit $[New Money COI Deposit] of the proceeds of the New Money Series 2021 Bonds in the New Money 2021 Costs of Issuance Fund, which fund is hereby created and which fund the Authority hereby agrees to maintain with the Trustee until [Closing Date + 180 Days]. All money in the New Money 2021 Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the New Money Series 2021 Bonds upon receipt of a Written Request of the County filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On [Closing Date + 180 Days], or upon the earlier Written Request of the County, any remaining balance in the New Money 2021 Costs of Issuance Fund shall be transferred to the 2021 Project Account and remaining amounts in the subaccount will be transferred to the County.

(c) The Trustee shall deposit $[Refunding COI Deposit] of the proceeds of the Refunding Series 2021 Bonds in the Refunding 2021 Costs of Issuance Fund, which fund is hereby created and which fund the Authority hereby agrees to maintain with the Trustee until [Closing Date + 180 Days]. All money in the Refunding 2021 Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Refunding Series 2021 Bonds upon receipt of a Written Request of the County filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On [Closing Date + 180 Days], or upon the earlier Written Request of the County, any remaining balance in the Refunding 2021 Costs of Issuance Fund shall be transferred to the 2021 Project Account and remaining amounts in the subaccount will be transferred to the County.

(d) The Trustee shall deposit $[Capitalized Interest Deposit] of the proceeds of the New Money Series 2021 Bonds (which represents rent paid by the Authority to the County pursuant to the Site Lease) in the 2021 Capitalized Interest Account, which account is hereby created. The Trustee shall make such transfers to the Interest Account from the 2021 Capitalized Interest Account on the dates and in the amounts as follows:

Date	Amount
December 15, 2021	$
June 15, 2022	
December 15, 2022	
June 15, 2023	
December 15, 2023	
June 15, 2024	
December 15, 2024	
June 15, 2025	
December 15, 2025	Balance

Interest earnings on the amounts invested in the 2021 Capitalized Interest Account shall be transferred to the 2021 Project Account after received.

SECTION 14.02 Tax Covenants; 2021 Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the 2021 Rebate Fund. There shall be deposited in the 2021 Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the 2021 Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 5.01, 5.02, 5.05, 7.02 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the 2021 Rebate Fund shall be governed exclusively by this Section 14.02(a) and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

(b) Any funds remaining in the 2021 Rebate Fund after redemption and payment with respect to all of the Tax-Exempt Bonds and all other amounts due hereunder or under the Facility Lease, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses to the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the direction of the Authority.

(c) The Authority shall not use or permit the use of any proceeds of the Tax-Exempt Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any of the Tax-Exempt Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, "private activity bond" within the meaning of Section 141(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1986, as amended. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Tax-Exempt Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 14.02(c) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Trust Agreement, the Authority shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(d) The Authority and the Trustee (as directed by the Authority) specifically covenant to comply with the provisions and procedures of the Tax Certificate; provided that the Trustee shall not be bound by this covenant if an Event of Default has occurred and is continuing.

(e) The Authority shall not use or permit the use of any proceeds of the Tax-Exempt Bonds or any funds of the Authority, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Tax-Exempt Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(f) Notwithstanding any provisions of this Section 14.02, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section 14.02 or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(g) The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Tax-Exempt Bonds, or for determining whether the yield on any investments made in accordance with the Trust Agreement would cause, or whether any facts exist with would cause, any of the Tax-Exempt Bonds to be arbitrage bonds under Section 148 of the Code.

ARTICLE XV

REDEMPTION OF SERIES 2021 BONDS

SECTION 15.01 Terms of Redemption of Series 2021 Bonds.

(a) Extraordinary Redemption. The Series 2021 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02 of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

(b) Optional Redemption. The Series 2021 Bonds maturing on or prior to June 15, 20__ are not subject to optional redemption. The Series 2021 Bonds maturing on or after June 15, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after June 15, 20__, at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon, without premium.

(c) Mandatory Sinking Fund Redemption. The New Money Series 2021 Bonds maturing on June 15, 20__ are also subject to mandatory redemption prior to maturity, in part on June 15 of each year on or after June 15, 20__ by lot, from sinking account payments, on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of the New Money Series 2021 Bonds to be redeemed, together with unpaid accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption Date (June 15)	Principal Amount to be Redeemed
	$
*	

* Maturity.

The Refunding Series 2021 Bonds maturing on June 15, 20__ are also subject to mandatory redemption prior to maturity, in part on June 15 of each year on or after June 15, 20__ by lot, from sinking account payments, on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of the Refunding Series 2021 Bonds to be redeemed, together with unpaid accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption Date (June 15)	Principal Amount to be Redeemed
	$
*	

* Maturity.

The principal amount to be redeemed in each year shown in the tables above will be reduced proportionately, in integral multiples of $5,000, by the amount of such Series 2021 Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

(d) Selection of Bonds for Redemption. If less than all Outstanding Series 2021 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Series 2021 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Series 2021 Bonds so selected for redemption. For purposes of such selection, Series 2021 Bonds shall be deemed to be composed of $5,000 multiples and any such multiple may be separately redeemed. The Authority may designate, in the case of the redemption of term Bonds, the mandatory sinking account payments or portions thereof that are to be reduced as a result of such redemption.

(e) Notice of Redemption; Cancellation; Conditional Notice. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Series 2021

Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the redemption price, if any (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2021 Bonds of such maturity, to be redeemed and, in the case of Series 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series 2021 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2021 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

In the event of redemption of Series 2021 Bonds, the Trustee shall mail a notice of optional or extraordinary redemption, as applicable, other than any notice that refers to Series 2021 Bonds that are to be redeemed from proceeds of a refunding bond issue, only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Series 2021 Bonds to be redeemed.

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

The Authority may provide for a conditional notice of redemption.

(f) Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2021 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Series 2021 Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Series 2021 Bonds shall cease to accrue, and the Bondholders of such Series 2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Series 2021 Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

ARTICLE XVI

AMENDMENTS TO TRUST AGREEMENT

SECTION 16.01 Terms of Amendments. The amendments in this Article XVI shall become effective immediately upon the issuance of the Series 2021 Bonds.

SECTION 16.02 Amendment to Section 5.03(d). Section 5.03(d) of the Trust Agreement is hereby amended and restated in its entirety as follows:

"(d) Reserve Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated the "Reserve Fund" and within such fund separate account designated as the "Series 2014 Reserve Account." The Series 2014 Reserve Account is available to pay only the principal of and interest on the 2014 Series A Bonds. The Trustee may establish additional accounts to secure additional Series of Bonds issued hereunder. All money in the Series 2014 Reserve Account shall be used and withdrawn by the Trustee for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such accounts, except that so long as the Authority is not in default hereunder, any cash amounts in the Series 2014 Reserve Account in excess of the Series 2014 Reserve Account Requirement shall be withdrawn from the Series 2014 Reserve Account and deposited in the Project Fund, prior to completion of the Project, and thereafter to the Revenue Fund on or before each Interest Payment Date, unless the Supplemental Indenture authorizing the Series of Additional Bonds provides otherwise. There is no Reserve Requirement for the Series 2021 Bonds."

SECTION 16.03 Amendment to Section 7.02. The first paragraph of Section 7.02 of the Trust Agreement is hereby amended and restated in its entirety as follows:

"All moneys in the accounts and funds provided in Sections 3.01, 3.02, 5.02, 5.03 and 5.04 upon the date of the occurrence and during the continuance of an Event of Default or declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:"

ARTICLE XVII

SPRINGING AMENDMENTS TO TRUST AGREEMENT

SECTION 17.01 Terms of Amendments. The amendments in this Article XVI shall become effective when the 2014 Series A Bonds issued under this Trust Agreement are no longer Outstanding. The purchase of the Series 2021 Bonds and of Bonds issued pursuant to the Trust Agreement after the effective date of this First Supplemental Trust Agreement shall constitute the consent of such purchasers, as Bondholders, to the amendments in this Article as required by Article IX hereof.

SECTION 17.02 Amendment to Section 6.09. Section 6.09 of the Trust Agreement is hereby amended and restated in its entirety as follows:

"SECTION 6.09. Amendments to Facility Lease and Site Lease. The Authority shall not supplement, amend, modify or terminate any of the terms of the Facility Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the

Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, as evidenced by an Opinion of Counsel delivered to the Trustee (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of substitution or release of real property pursuant to Section 2.03 of the Facility Lease or is to provide for the issuance of Additional Bonds pursuant to Article III hereof), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any substitution or release in accordance with Section 2.03 of the Facility Lease or is to provide for the issuance of Additional Bonds pursuant to Article III hereof, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.03 of the Facility Lease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, release, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the County pursuant to the Facility Lease to an amount less than the scheduled principal and interest payment on the Outstanding Bonds, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Trust Agreement on the Base Rental Payments (except as expressly provided in the Facility Lease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

(b) The Authority shall not supplement, amend, modify or terminate any of the terms of the Site Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, as evidenced by an Opinion of Counsel delivered to the Trustee, (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the County, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for or released from the Facilities pursuant to the provision of Section 2.03 of the Facility Lease or is to provide for the issuance of Additional Bonds pursuant to Article III hereof, or (e) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the

Bonds then Outstanding to such supplement, amendment, modification or termination."

SECTION 17.03 Amendment to Article IX. Section 9.05 is hereby added to the Trust Agreement as follows:

"SECTION 9.05. Approval of Form of Amendment. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. The Authority may evidence Bondholder consent to an amendment to the Trust Agreement by providing that the effectiveness thereof shall occur when the Bonds Outstanding evidenced by a majority of the Bond Obligation were issued after the amendment was proposed, acquisition of the Bonds by the Bondholders thereof evidencing consent to the amendment. Promptly after the execution and delivery by the Trustee and the Authority of any Supplemental Trust Agreement, the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or, any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement."

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

SECTION 18.01 Validity of Supplement. The County, the Authority and the Trustee hereby determine that this Supplemental Trust Agreement is executed and delivered in compliance with the provisions of Section 9.01 of the Trust Agreement. The Trustee is making such determination in reliance upon an Opinion of Counsel and the determination of the County and the Authority.

SECTION 18.02 Terms of Series 2021 Bonds Subject to the Trust Agreement. Except as in this First Supplemental Trust Agreement expressly provided, every term and condition contained in the Trust Agreement shall apply to this First Supplemental Trust Agreement and to the Series 2021 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplemental Trust Agreement.

This First Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 18.03 Effective Date of First Supplemental Trust Agreement. This First Supplemental Trust Agreement shall take effect upon its execution and delivery.

SECTION 18.04 Execution in Counterparts. This First Supplemental Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this First Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

By______________________________________
President

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By______________________________________
Authorized Officer

EXHIBIT A

No. R-____ $__________

[FORMS OF SERIES 2021 BONDS]

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY
LEASE REVENUE BOND
(REFUNDING AND CAPITAL PROJECTS), 2021 SERIES A[-1][-2]
[(FEDERALLY TAXABLE)]

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY OF SAN MATEO IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF SAN MATEO OR ANY OF THE PUBLIC AGENCIES WHO ARE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Interest Rate	Maturity Date	Original Issue Date	CUSIP
___%	June 15, 20__	[Closing Date]	79904N___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an interest payment date or during the period from the first day of the month containing an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated prior to December 15, 2021, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on December 15, 2021, and semi-annually thereafter on each June 15 and December 15. Interest due on or before the maturity or prior redemption of this Bond shall be payable by check mailed on the payment date for such interest by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of $1,000,000 or more in aggregate principal amount of Bonds received, prior to the applicable record date, by U.S. Bank National Association, as trustee or its successor under the hereinafter defined Trust Agreement (the “Trustee”), interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation hereof at the Corporate Trust Office (as such term is defined in the Trust Agreement) of the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A[-1][-2] [(Federally Taxable)]” (the “[New Money][Refunding] Series 2021 Bonds”) in aggregate principal amount of [Par Amount Written Out] Dollars ($[Par Amount]), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a Trust Agreement, dated as of April 1, 2014, as supplemented and amended, including by the First Supplemental Trust Agreement, dated as of June 1, 2021 (collectively, the “Trust Agreement”), between the Authority and the Trustee (copies of which are on file at the corporate trust office of the Trustee). Pursuant to the Trust Agreement, the Authority issued $175,065,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the “2014 Series A Bonds”). The 2014 Series A Bonds, the [New Money][Refunding] Series 2021 Bonds, the [Refunding][New Money] Series 2021 Bonds and all additional bonds issued on a parity therewith (collectively, the “Bonds”) are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement. Concurrently with the issuance of the [New Money][Refunding] Series 2021 Bonds, the Authority will issue its “Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A[-1][-2] [(Federally Taxable)]” (the “[New Money][Refunding] Series 2021 Bonds”) in aggregate principal amount of ($[New Money Par Amount][Refunding Par Amount]) under the terms of the Trust Agreement and secured on a parity basis with the Bonds.

The [New Money][Refunding] Series 2021 Bonds are issued to provide funds to [finance certain capital improvements in the County][refund and defease [all or a portion] of the 2014 Series A Bonds]. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the Revenues (as defined in the Trust Agreement) derived from Base Rental Payments and other payments made by the County of San Mateo (the “County”), and all interest or other investment income thereon, pursuant to the Facility Lease, dated as of April 1, 2014, as amended (collectively, the “Facility Lease”), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional Bonds payable from the Revenues may be issued which will rank equally as to security with the [New Money][Refunding] Series 2021 Bond, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations so that the aggregate annual principal amount of and interest on the Bonds which shall be payable after such redemption date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on the Bonds Outstanding prior to such redemption date, from prepayments of Base Rental Payments made by the County from the proceeds received by the County due to a taking of the Project or portions thereof under the power of eminent domain and from the net proceeds of title insurance or insurance received for material damage or destruction to the Project or portions thereof received by the Authority from the County, all as provided in and under the circumstances and terms prescribed in the Facility Lease and the Trust Agreement, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing on or prior to June 15, 20__ are not subject to optional redemption. The Bonds maturing on or after June 15, 20__ are subject to redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part on any date (in such maturities as are designated in writing by the Authority to the Trustee) on or after June 15, 20__, at a redemption price equal to the sum of the principal amount thereof plus accrued interest thereon, without premium.

The Bonds maturing on June 15, 20__, June 15, 20__, and June 15, 20__, are also subject to mandatory sinking fund redemption in part prior to their stated maturity dates and on each June 15 on or after June 15, 20__, June 15, 20__ and June 15, 20__, respectively, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, from sinking fund installments in the amounts and years stated in the Trust Agreement.

Notice of redemption of this Bond shall be given by first-class mail not less than twenty (20) days nor more than sixty (60) days before the redemption date to the registered owner of any Bond selected for redemption, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this Bond shall cease to accrue and the registered owner of this Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default (as defined in the Trust Agreement) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

This Bond is transferable only on a register to be kept for that purpose by the Trustee at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the San Mateo County Joint Powers Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the original issue date specified above.

SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY

By____________________________________
President

Countersigned:

____
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2021 BONDS]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

______________________	______________________
Date	Authorized Signatory

[FORM OF ASSIGNMENT TO
APPEAR ON SERIES 2021 BONDS]

For value received the undersigned hereby sells, assigns and transfers unto ______________________ (Taxpayer Identification Number: ___________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

____

Dated:

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE ______________________

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: ____________________________________

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

2014 REFUNDED BONDS

Maturity Date (June 15)	Principal Amount to be Redeemed	Interest Rate	CUSIP Number (79904N)
2025	$8,570,000	5.000%	EC0
2026	8,205,000	5.000	ED8
2027	7,795,000	5.000	EE6
2028	7,345,000	5.000	EF3
2029	1,170,000	4.000	ER7
2029	5,675,000	5.000	EG1
2030	6,280,000	5.000	EH9
2031	5,675,000	5.000	EJ5
2035†	15,145,000	4.000	ET3
2037†	2,025,000	4.000	ES5

† Term Bonds

OH&S Draft: 04/12/2021

ESCROW AGREEMENT

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of June 1, 2021

relating to the

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Capital Projects), 2014 Series A
(Maple Street Correctional Center)

4135-2252-6253.2

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of June 1, 2021, is entered into by and between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as escrow agent and as trustee (the "Escrow Agent" and the "Trustee").

RECITALS:

WHEREAS, the Authority has heretofore issued $175,065,000 aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the "2014 Series A Bonds"), pursuant to a Trust Agreement, dated as of April 1, 2014 (the "Trust Agreement"), between the Authority and the Trustee;

[WHEREAS, for the purpose of defeasing all or a portion of the 2014 Series A Bonds (the "Refunded Bonds"), the County of San Mateo (the "County") has prepaid and the Authority has accepted prepayment of a portion of the base rental payments payable in fiscal year ending [June 30, 2021] and corresponding to the debt service on the 2014 Series A Bonds, and is contributing said prepayment to the defeasance of all or a portion of the 2014 Series A Bonds;]

WHEREAS, the Authority may at any time, pursuant to and in accordance with the Trust Agreement, issue Additional Bonds (as defined therein) for, among other things, the refunding or repayment of any Bonds then Outstanding;

WHEREAS, for the purpose of refunding all or a portion of the Refunded Bonds, the Authority has issued $[Par Amount] aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 [(Federally Taxable)] (the "Refunding Bonds"), pursuant to a First Supplemental Trust Agreement, dated as of June 1, 2021 (the "First Supplemental Trust Agreement"), between the Authority and the Trustee;

WHEREAS, the First Supplemental Trust Agreement provides for the transfer and deposit of certain proceeds of the Refunding Bonds and other funds to the Escrow Fund created hereunder to refund and defease the Refunded Bonds, and such proceeds along with the County prepayment and investment earnings thereon shall be in such amount as to ensure the full and timely payment of the Refunding Requirements (as hereinafter defined);

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and in order to secure the payment of the Refunding Requirements as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

Section 1. Definitions.

As used in this Escrow Agreement the following terms have the following meanings:

"Escrow Agent" means U.S. Bank National Association, as escrow agent, or any successor thereto appointed under this Escrow Agreement.

"Escrow Fund" means the fund by that name created pursuant to Section 2 hereof.

"Escrow Securities" means (a) money in an amount which shall be sufficient and/or (b) those certain Government Securities described in Exhibit C to this Escrow Agreement (defined as clause 1 of the definition of Permitted Investments in the Trust Agreement).

"Government Securities" (defined in the Trust Agreement) means (1) cash; (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGS"); (3) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities; (4) Resolution Funding Corp. (REFCORP) strips (interest component only) which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (5) pre-refunded municipal bonds rated by Moody's and by S&P at the level that U.S. obligations are rated, or if not rated by Moody's, then pre-refunded bonds that have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or other pre-refunded municipal obligations; and (6) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank direct obligations or fully guaranteed certificates of beneficial ownership, (b) Farmers Home Administration (FmHA) certificates of beneficial ownership, (c) Federal Financing Bank, (d) General Services Administration participation certificates, (e) U.S. Maritime Administration Guaranteed Title XI financing, (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"Redemption Date" means June 15, 2024 with respect to the Refunded Bonds.

"Refunded Bonds" means the portion of the Authority's Outstanding 2014 Series A Bonds as further described in Exhibit A hereto.

"Refunding Bonds" means the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 [(Federally Taxable)], issued pursuant to the Trust Agreement.

"Refunding Requirements" means all installments of principal, redemption premium, if any, and interest that shall become due with respect to the Refunded Bonds on or prior to the Redemption Date, as shown in Exhibit B to this Escrow Agreement.

"Treasurer" means the officer who is then performing the functions of Treasurer and Controller of the Authority.

“Trust Agreement” means the Trust Agreement, dated as of April 1, 2014, as supplemented and amended, including as further supplemented by the First Supplemental Trust Agreement.

“Trustee” means U.S. Bank National Association, as trustee under the Trust Agreement.

“Verification Agent” means an Independent Certified Public Accountant that delivers a Verification Report. The initial Verification Agent is [Causey Demgen & Moore P.C.]

“Verification Report” means a report of an Independent Certified Public Accountant as to the sufficiency, when paid, of the principal of and interest on the Government Securities and cash on deposit in the Escrow Fund to pay the Refunding Requirements when due.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Trust Agreement.

Section 2. Creation and Purpose of Escrow.

A. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the Series 2014 Refunding Escrow Fund (the “Escrow Fund”). The Escrow Agent shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in escrow for the purposes described herein.

B. On the date of the delivery of the Refunding Bonds to the initial purchasers thereof, the Trustee, pursuant to the First Supplemental Trust Agreement, will deposit with the Escrow Agent in escrow, to be held and accounted for in the Escrow Fund and paid out as provided in this Escrow Agreement and in the Trust Agreement, moneys representing a portion of the proceeds from the sale of the Refunding Bonds, in the amount of $[Escrowed Bond Proceeds], transfer from the Reserve fund of $[Reserve Transfer] and the amount of $[County Equity] from the County for prepayment and defeasance of the Refunded Bonds. Such moneys shall be sufficient for the purchase of the Escrow Securities and shall be used by the Escrow Agent to purchase the Escrow Securities on such date and to fund the initial cash deposit to the Escrow Fund as set forth in Exhibit C hereto. The principal of and interest on the Escrow Securities and any uninvested cash held hereunder shall be applied by the Escrow Agent to the payment of the Refunding Requirements.

C. The Authority has determined, as verified by the Verification Report of the Verification Agent, dated the date of issuance of the Refunding Bonds, that the Escrow Securities are such that, if interest thereon and principal thereof are paid when due, the proceeds from the collection of such interest and principal, together with any uninvested cash held hereunder, will be sufficient to meet the Refunding Requirements.

D. The Escrow Agent shall hold all Government Securities, whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in escrow, to secure and for the payment of the

Refunding Requirements and shall collect the principal of and interest on the Government Securities held by it hereunder promptly as such principal and interest become due.

Section 3. Redemption and Payment of the Refunded Bonds.

U.S. Bank National Association, acting as Trustee, is hereby irrevocably instructed to redeem all Refunded Bonds on the Redemption Date therefor at the Redemption Price thereof, together with the interest accrued thereon to, but not including, the Redemption Date, at the times and places and in the manner specified in the Trust Agreement, such payment to be made from the Escrow Fund. The Escrow Agent shall make from time to time such transfers to the Trustee for the Refunded Bonds as will assure, to the extent of moneys in the Escrow Fund, the payment of the Refunding Requirements when due, as provided herein and in the Trust Agreement.

Section 4. Bondholder Notices.

A. U.S. Bank National Association, as Trustee, is hereby irrevocably instructed to mail, as soon as practicable, notice of the defeasance of the Refunded Bonds in the form attached hereto as Exhibit D in accordance with Section 10.01 of the Trust Agreement and, as Dissemination Agent, to post such notice on EMMA.

B. U.S. Bank National Association, as Trustee, is hereby irrevocably instructed to give notice of the redemption of the Refunded Bonds for redemption on the Redemption Date at the Redemption Price thereof at the time and in the manner provided in Section 4.05 of the Trust Agreement for the 2014 Series A Bonds, and the Trustee hereby agrees to give such notices, which notices will be irrevocable, in accordance with Section 10.01 of the Trust Agreement.

C. The Escrow Agent will not be responsible for determining the accuracy of any information supplied to it by any person pursuant to the procedures outlined herein.

Section 5. Substitution and Reinvestment of Escrow Securities.

A. The moneys and the Government Securities from time to time accounted for in the Escrow Fund shall not be subject to withdrawal by the Authority nor otherwise subject to its order except as otherwise provided in this Section 5 and in Section 3 and Section 7 hereof.

B. There shall be no exchange or substitution of the Escrow Securities, except upon (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay the Refunding Requirements when due and (iii) receipt of an opinion of nationally recognized bond counsel to the effect that such exchange or substitution will not adversely affect the exemption from federal income tax of interest on the Refunded Bonds [or the Refunding Bonds] in which event the Escrow Agent shall sell, redeem or otherwise dispose of the Escrow Securities and substitute other Government Securities as so directed. Any excess proceeds of the sale, redemption or other disposition of such securities in the Escrow Fund (derived in connection with a substitution as provided in this Section) shall be remitted to the Authority free from the escrow created by the Escrow Agreement as shown in the Verification Report. The Escrow Agent shall not be liable or responsible for any loss resulting from any substitution of securities made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

C. The Escrow Agent shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested in such Escrow Fund; except, however, that after receiving (i) an opinion of nationally recognized bond counsel to the effect that such reinvestment will not adversely affect the exemption from federal income taxation of interest on the Refunded Bonds [or the Refunding Bonds] and (ii) a new Verification Report, prepared by an Independent Certified Public Accountant, to the effect that such reinvestment will not adversely affect the sufficiency of the amount of Government Securities and cash on deposit in the Escrow Fund, the Escrow Agent may, at the written direction of the Authority, reinvest any cash portion of such Escrow Fund in Government Securities. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 6. <u>Sufficiency of Escrow</u>.

Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Authority, that at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

If at any time it shall appear to the Escrow Agent that the moneys in the Escrow Fund, including the investment earnings thereon and any uninvested cash, will not be sufficient to meet the Refunding Requirements, the Escrow Agent shall notify the Treasurer of the Authority of such deficiency in writing as soon as reasonably practicable. Upon receipt of such notice, the Authority shall promptly use its best efforts to pay to the Escrow Agent, from any legally available moneys, and the Escrow Agent shall deposit in the Escrow Fund the amount necessary to make up the deficiency. The Escrow Agent shall not be liable or responsible for any loss resulting from its failure to give such notice nor from the Authority's failure to make any such payment.

Section 7. <u>Termination of Escrow Agreement; Written Request of Authority</u>.

When the Escrow Agent shall have transferred, pursuant to Section 3 hereof, such moneys as are required to pay in full and discharge all of the Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall immediately pay over to the Authority, or to a third party pursuant to the Authority's order, the moneys, if any, then remaining in the Escrow Fund and shall make forthwith a final report to the Authority, and this Escrow Agreement shall terminate. The Trustee shall pay to the Authority any and all unclaimed moneys as provided in Section 10.02 of the Trust Agreement, and this Escrow Agreement shall constitute the Written Request of the Authority for such purpose.

Section 8. <u>Fees and Costs</u>.

A. The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed by separate agreement. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred, including but not limited to legal and accounting services in connection with any litigation or other proceedings which may at any time be instituted involving this Escrow Agreement.

B. Payments to the Escrow Agent pursuant to this Section 8 shall not be for deposit in the Escrow Fund, and the fees of and the costs incurred by the Escrow Agent shall not be a charge on and in no event shall be deducted from the Escrow Fund.

Section 9. Reports.

Upon the termination of this Escrow Agreement, the Escrow Agent shall submit to the Authority a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder. Such report shall be subject to audit by the Authority or by such Independent Certified Public Accountant as may be designated by the Authority. Such report shall also list all Government Securities and the amount of money accounted for in the Escrow Fund.

Section 10. Character of Deposit.

A. It is recognized that title to the Government Securities and moneys accounted for in the Escrow Fund from time to time shall remain vested in the Authority but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions hereof.

B. The Escrow Agent shall hold all such securities and moneys in the Escrow Fund in escrow separate and wholly segregated from all other securities and funds of the Escrow Agent or deposited therein and shall never commingle such securities or moneys with other securities or moneys.

C. No money paid into and accounted for in the Escrow Fund shall ever be considered as a banking deposit, and the Escrow Agent shall have no right or title with respect thereto except in its capacity as Escrow Agent hereunder.

Section 11. Limited Liability of Escrow Agent.

A. The duties and responsibilities of the Escrow Agent are limited to those expressly and specifically stated in this Escrow Agreement.

B. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in compliance with the provisions hereof. The Escrow Agent shall not be liable or responsible for the accuracy of any calculations made by other parties or the sufficiency of any Escrow Securities, any Government Securities, the Escrow Fund or any moneys held by it to meet the Refunding Requirements.

C. No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligence or willful misconduct.

D. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Authority of any of its obligations, nor shall it be responsible in any manner for the recitals or statements contained herein or in the Refunded Bonds or any proceedings taken in connection therewith, such recitals and statements being made solely by the Authority. The Escrow Agent may conclusively rely on any opinion, written request, certificate, written direction or report of the Authority or any certified public accountant, financial advisor or investment bank delivered to it and received in good faith in connection with the transactions contemplated hereby.

E. Nothing in this instrument shall be construed to create any obligations or liabilities on the part of the Escrow Agent to anyone other than the Authority and the holders of the Refunded Bonds.

F. The Escrow Agent may at any time resign by giving thirty (30) days written notice to the Authority of such resignation. The Authority shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Authority may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Authority appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

G. The Authority, to the extent permitted by law, agrees to indemnify the Escrow Agent, its agents and its officers or employees for and hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder, in any transaction arising out of this Escrow Agreement or the Trust Agreement or any of the transactions contemplated herein or in the Trust Agreement, unless due to the Escrow Agent's or its officers' or employees' or agents' negligence or willful misconduct. Such indemnity shall survive the termination of this Escrow Agreement or resignation of the Escrow Agent.

H. The Escrow Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

I. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages.

J. No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

Section 12. Time of Essence.

Time shall be of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

Section 13. Amendments.

This Escrow Agreement is made for the benefit of the Authority, the Owners from time to time of the Refunded Bonds and the Bond Insurer, as a third-party beneficiary. This Escrow Agreement shall not be repealed, revoked, altered or amended without the written consent of all such Owners and the Bond Insurer; provided, however, that the Authority and the Escrow Agent may, but without the consent of, or notice to, such Owners, enter into such agreements supplemental to this Escrow Agreement for any one or more of the following purposes: (i) to cure any ambiguity or inconsistency or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for benefit of such Owners any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; (iii) to subject to this Escrow Agreement additional funds, securities or properties; and (iv) to make any other amendment that does not materially adversely affect the rights of any Owners of the Refunded Bonds; provided, however that no such agreement supplemental to this Escrow Agreement shall modify or amend the irrevocable pledge of the Escrow Fund, the provisions requiring delivery of an opinion of nationally recognized bond counsel and a Verification Report to the Escrow Agent prior to any substitution of Escrow Securities and the provisions requiring delivery of an opinion of nationally recognized bond counsel and a Verification Report to the Escrow Agent prior to any reinvestment of Escrow Securities, without the consent of all Owners of the Refunded Bonds and the Bond Insurer.

Section 14. Successors; Merger or Consolidations.

A. Whenever herein the Authority or the Escrow Agent is named or is referred to, such provision shall be deemed to include any successor of the Authority or the Escrow Agent, respectively, immediate or intermediate, whether so expressed or not.

B. All of the stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Escrow Agent contained herein:

(1) Shall bind and inure to the benefit of any such successor; and

(2) Shall bind and shall inure to the benefit of any officer, board, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority or the Escrow Agent, respectively, or of its successor.

C. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 15. Notices.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail, as follows:

If to the Authority:	San Mateo County Joint Powers Financing Authority 400 County Center, 1st Floor Redwood City, California 94063 Attention: Treasurer and Controller
If to the Escrow Agent or Trustee:	U.S. Bank National Association One California Street, Suite 1000 Mail Code: SF-CA-SFCT San Francisco, California 94111 Attention: Global Corporate Trust Services

Section 16. Severability.

If any section, paragraph, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 17. Law Governing.

This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

Section 18. Counterparts.

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and U.S. BANK NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

By:___________________________________
Authorized Signatory

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent, Trustee and Dissemination Agent

By:___________________________________
Authorized Officer

EXHIBIT A

REFUNDED BONDS

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects), 2014 Series A
(Robert Sans Memorial Issue)

Maturity Date (June 15)	Principal Amount to be Redeemed	Interest Rate	CUSIP Number (79904N)
2025	$8,570,000	5.000%	EC0
2026	8,205,000	5.000	ED8
2027	7,795,000	5.000	EE6
2028	7,345,000	5.000	EF3
2029	1,170,000	4.000	ER7
2029	5,675,000	5.000	EG1
2030	6,280,000	5.000	EH9
2031	5,675,000	5.000	EJ5
2035†	15,145,000	4.000	ET3
2037†	2,025,000	4.000	ES5

† Term Bonds

EXHIBIT B

REFUNDING REQUIREMENTS

[To come]

EXHIBIT C

ESCROW SECURITIES

The following securities will be deposited into the Escrow Fund on [Closing Date]:

[To come]

EXHIBIT D

NOTICE OF DEFEASANCE

Notice to the Holders of the Outstanding
San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Capital Projects)
listed in Schedule A hereto

Series	Amount	Redemption Date
2014 Series A	$[67,885,000]	June 15, 2024

NOTICE IS HEREBY GIVEN that the San Mateo County Joint Powers Financing Authority (the "Authority") has on [Closing Date], from the proceeds of the sale of lease revenue bonds and other sources, irrevocably set aside in an Escrow Fund created for such purpose and held by U.S. Bank National Association, moneys which the Authority has determined, when added to the investment earnings therefrom, shall be sufficient to pay interest on the outstanding bonds referenced in Schedule A hereto (the "Bonds"), as such payments become due up to and including the redemption date set forth above upon which money is to be available for the payment of the principal of and redemption premium, if any, on such Bonds.

The moneys so deposited in escrow (including the earnings derived from the investment thereof) are irrevocably pledged to the payment of principal, redemption price and interest on the outstanding Bonds. Said moneys have been invested in obligations for the payment of which the full faith and credit of the United States of America is pledged and which bear interest and mature on such dates as to ensure the payment of all principal, redemption premium, if any, and interest on the outstanding Bonds as the same become due.

As a consequence of the foregoing actions and in accordance with the Trust Agreement, dated as of April 1, 2014, as supplemented (the "Trust Agreement"), between the Authority and U.S. Bank National Association, as successor trustee (the "Trustee"), providing for the Bonds, the Bonds are deemed to have been paid in accordance with Section 10.01 of said Trust Agreement and are no longer secured by a pledge of the revenues received by the Trustee under the Trust Agreement, such pledge and the obligations and covenants of the Authority under said Trust Agreement have ceased, terminated and become void, and been discharged and satisfied, and the Bonds are payable solely from the moneys set aside in escrow as described above.

SCHEDULE A

REFUNDED BONDS

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Capital Projects), 2014 Series A
(Maple Street Correctional Center)

Redemption Date: June 15, 2024

Maturity Date (June 15)	Principal Amount to be Redeemed	Interest Rate	CUSIP Number (79904N)
2025	$8,570,000	5.000%	EC0
2026	8,205,000	5.000	ED8
2027	7,795,000	5.000	EE6
2028	7,345,000	5.000	EF3
2029	1,170,000	4.000	ER7
2029	5,675,000	5.000	EG1
2030	6,280,000	5.000	EH9
2031	5,675,000	5.000	EJ5
2035†	15,145,000	4.000	ET3
2037†	2,025,000	4.000	ES5

† Term Bonds

EXHIBIT E

NOTICE OF REDEMPTION

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Capital Projects), 2014 Series A
(Maple Street Correctional Center)

Dated: ______________________

NOTICE IS HEREBY GIVEN to the registered owners of the above-referenced bonds identified in the table below (the "Bonds") dated May 14, 2014 and issued under the Trust Agreement, dated as of April 1, 2014, between the San Mateo County Joint Powers Financing Authority and U.S. Bank National Association, as Trustee, (the "Trustee"), that the Bonds have been called for redemption on June 15, 2024 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with the accrued interest thereon to the Redemption Date.

Maturity Date (June 15)	Principal Amount to be Redeemed	Interest Rate	CUSIP Number (79904N)
2025	$8,570,000	5.000%	EC0
2026	8,205,000	5.000	ED8
2027	7,795,000	5.000	EE6
2028	7,345,000	5.000	EF3
2029	1,170,000	4.000	ER7
2029	5,675,000	5.000	EG1
2030	6,280,000	5.000	EH9
2031	5,675,000	5.000	EJ5
2035†	15,145,000	4.000	ET3
2037†	2,025,000	4.000	ES5

† Term Bonds

IMPORTANT NOTICE

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender thereof in the following manner:

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services
111 Filmore Avenue East
1st FL - Bond Drop Window
St. Paul, MN 55107

Please call Bondholder Services at (800) 934-6802 with any questions.

Bondholders presenting their Bonds in person for same day payment **must** surrender their Bond(s) by 1:00 P.M. on the Redemption Date and a check will be available for pick up after 2:00 P.M. Checks not picked up by 4:30 P.M. will be mailed to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount of the Bonds to be redeemed will not accrue from and after the Redemption Date.

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at **www.usbank.com/corporatetrust** and click on the **"Bondholder Information"** link.

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

**The Trustee shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Holders.*

By: U.S. Bank National Association
as Trustee

ITEM NO. 5

NRF
Draft 4/14/2021

PRELIMINARY OFFICIAL STATEMENT DATED JUNE ____, 2021

NEW ISSUE – FULL BOOK ENTRY

Ratings:
Moody's: "__"
Standard & Poor's: "___"
(See "RATINGS" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021A-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2021A-1 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the 2021 Bonds and is exempt from State of California personal income taxes Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2021 Bonds. See "TAX MATTERS."

[PAR AMOUNT]*
San Mateo County
Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects)
2021 Series A-1

[PAR AMOUNT]*
San Mateo County
Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects)
2021 Series A-2
(Federally Taxable)

Dated: Date of Delivery **Due: June 15, as shown on the inside front cover**

The San Mateo County Joint Powers Financing Authority (the "Authority") is offering [PAR AMOUNT]* of its Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 (the "2021A-1 Bonds") and [PAR AMOUNT]* of its Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 (Federally Taxable) (the "2021A-2 Bonds" and, collectively with the 2021A-1 Bonds, the "2021 Bonds"). The 2021 Bonds are being issued by the Authority pursuant to a Trust Agreement, dated as of April 1, 2014, as supplemented from time to time, (the "Trust Agreement"), including as supplemented by a First Supplemental Trust Agreement (as described herein) by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The 2021 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of the _____________ (the "2021 Project"), (ii) refund certain bonds previously issued by the Authority, (iii) pay capitalized interest on the 2021 Bonds through __________, and (iv) pay costs of issuance of the 2021 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2021 Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2021 Bonds, and individual purchases of the 2021 Bonds will be made in book-entry form only. Ownership interests in the 2021 Bonds will be in denominations of $5,000 and integral multiples thereof. Beneficial owners of the 2021 Bonds will not receive physical certificates representing the 2021 Bonds purchased, but will receive a credit balance on the books of the nominees of such purchasers. Interest on the 2021 Bonds is payable on June 15 and December 15 of each year, commencing December 15, 2021. Principal of, premium, if any, and interest on the 2021 Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2021 Bonds, as described herein. See APPENDIX B – "BOOK-ENTRY SYSTEM" attached hereto.

[The 2021 Bonds are subject to optional, mandatory sinking fund and extraordinary redemption prior to maturity, all as described herein. See "THE 2021 BONDS—Redemption of the 2021 Bonds" herein.]

[The 2021 Bonds are limited obligations of the Authority payable solely from, and secured solely by, Revenues of the Authority, consisting primarily of Base Rental Payments to be received by the Authority from the County under a Facility Lease, dated as of April 1, 2014 (the "Facility Lease"), as amended and supplemented including as supplemented by a First Amendment to Facility Lease by and between the Authority and the County, for the right to use and occupy certain real property and facilities (the "Facilities"), as more fully described herein. The County will agree in the Facility Lease to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of delayed completion or material damage to or destruction of the Facilities, a material title defect with respect to the Facilities or a taking of the Facilities in whole or in part. Pursuant to the Trust Agreement, the 2021 Bonds are secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing any additional bonds issued under the Trust Agreement.]

The 2021 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues and certain funds and accounts held by the Trustee as provided in the Trust Agreement. All the 2021 Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the 2021 Bonds as provided herein. The 2021 Bonds do not constitute a debt of the County, the State or any of its political subdivisions within the meaning of any constitutional debt limitation, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the 2021 Bonds be payable out of any funds or properties other

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* Preliminary, subject to change

than those of the Authority as provided in the Trust Agreement. NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE 2021 BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OR THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF SAN MATEO, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS AND CUSIPs
(See Inside Front Cover)

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the 2021 Bonds. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The 2021 Bonds are offered when, as and if issued, subject to approval of validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Authority, and subject to certain other conditions. Certain legal matters will be passed upon for the Underwriters by ____. Certain legal matters will be passed upon for the Authority and for the County by County Counsel and by Norton Rose Fulbright US LLP, San Francisco, California, Disclosure Counsel to the Authority and the County. It is expected that the 2021 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about June __, 2021.

June __, 2021

$(PAR AMOUNT)*
San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects)
2021 Series A-1

MATURITY SCHEDULE*

$__________ Serial Bonds

Maturity (June 15)	Principal Amount	Interest Rate	Yield	CUSIP† Number
	$			

$________ ____% Term Bonds due June 15, ____ Priced to Yield: ____%; CUSIP†: ____

* Preliminary, subject to change.

† Copyright © 2021 CUSIP Global Services. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County, the Authority or the Underwriters and are included solely for the convenience of the registered owners of the 2021 Bonds. None of the County, the Authority or the Underwriters is responsible for the selection of uses of these CUSIP numbers, and no representation is made as to their correctness on the 2021 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021 Bonds.

(PAR AMOUNT)*
San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects)
2021 Series A-2
(Federally Taxable)

MATURITY SCHEDULE*

$__________ Serial Bonds

Maturity (June 15)	Principal Amount	Interest Rate	Yield	CUSIP† Number
	$			

$________ ____% Term Bonds due June 15, ____ Priced to Yield: ____%; CUSIP†: ____

* Preliminary, subject to change.

† Copyright © 2021 CUSIP Global Services. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County, the Authority or the Underwriters and are included solely for the convenience of the registered owners of the 2021 Bonds. None of the County, the Authority or the Underwriters is responsible for the selection of uses of these CUSIP numbers, and no representation is made as to their correctness on the 2021 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021 Bonds.

COUNTY OF SAN MATEO

Board of Supervisors

Dave Pine, First District
Carole Groom, Second District
Don Horsley, Third District
Warren Slocum, Fourth District
David Canepa, Fifth District

County Officials

Mike Callagy, County Manager
John C. Beiers, County Counsel

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

Governing Board

Paul Scannell, President
[ ], Vice President
John M. Gemello, Secretary
[ ], Member
Thomas F. Casey, Member

SPECIAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California
Bond Counsel

Norton Rose Fulbright US LLP
San Francisco, California
Disclosure Counsel

California Financial Services
Santa Rosa, California
Municipal Advisor

U.S. Bank National Association
St. Paul, Minnesota
Trustee

Error! Unknown document property name.

No dealer, broker, salesperson or any other person has been authorized by the Authority, the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The issuance and sale of the 2021 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

IN CONNECTION WITH THIS OFFERING OF THE 2021 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2021 BONDS AT LEVELS ABOVE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “project,” “projection” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions “THE COUNTY OF SAN MATEO” and “COUNTY FINANCIAL INFORMATION” in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

The County maintains various websites. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2021 Bonds.

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[PAR AMOUNT]*	**[PAR AMOUNT]***
San Mateo County	**San Mateo County**
Joint Powers Financing Authority	**Joint Powers Financing Authority**
Lease Revenue Bonds	**Lease Revenue Bonds**
(Refunding and Capital Projects)	**(Refunding and Capital Projects)**
2021 Series A-1	**2021 Series A-2**
	(Federally Taxable)

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement, including the cover page, the inside cover page and the appendices (the "Official Statement"). The offering of the 2021 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Introduction and not otherwise defined herein shall have the respective meanings assigned to them elsewhere in this Official Statement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—CERTAIN DEFINITIONS" herein.

Purpose

The purpose of this Official Statement, including the cover page and appendices hereto, is to provide certain information concerning the sale and delivery by the San Mateo County Joint Powers Financing Authority (the "Authority") of its [PAR AMOUNT]* Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 (the "2021A-1 Bonds") and [PAR AMOUNT]* of its Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 (Federally Taxable) (the "2021A-2 Bonds" and, collectively with the 2021A-1 Bonds, the "2021 Bonds").

[The 2021 Bonds are being issued by the Authority for the purpose of providing funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of the _____________ (the "2021 Project"), (ii) refund certain bonds previously issued by the Authority, (iii) pay capitalized interest on the 2021 Bonds through __________, and (iv) pay costs of issuance of the 2021 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.]

The County of San Mateo

The County, one of 58 counties in the State of California (referred to herein as the "State" or "California"), was established in 1856. The County is governed by a five-member Board of Supervisors (the "Board") elected to staggered four-year terms. The Board appoints the County Manager to manage the day-to-day affairs of the County. The County occupies 455 square miles and contains 20 cities on a peninsula bounded by San Francisco to the north, Santa Clara County to the south, San Francisco Bay to the east, and the Pacific Ocean on the West, has an estimated population of 773,244 as of January 1, 2020, and an adopted fiscal year 2020-21 General Fund budget of $2.44 billion. See "THE COUNTY OF SAN MATEO" and "COUNTY FINANCIAL INFORMATION" herein.

Authority for Issuance of the 2021 Bonds

The 2021 Bonds are being issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, and a Trust Agreement, dated as of April 1, 2014 (the "Trust Agreement"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee") as amended and supplemented and as further supplemented by a First Supplemental Trust Agreement, dated as of June 1, 2021, relating to the 2021 Bonds (as amended and supplemented from time to time, (the "Trust Agreement"). Pursuant to the Trust Agreement, the Authority has previously issued its $_____________ Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) (the "2014 Bonds"). The County will enter into the Facility Lease (as defined herein) pursuant

* Preliminary, subject to change

to and in accordance with the Government Code of the State, other applicable laws of the State and resolutions adopted by the County and the Authority prior to the issuance of the 2021 Bonds.

Following delivery of the 2021 Bonds, only the 2014 Bonds and the 2021 Bonds will be outstanding under the Trust Agreement. The 2021 Bonds, together with any additional bonds issued under the Trust Agreement ("Additional Bonds"), are collectively referred to herein as the "Bonds."

Security for the 2021 Bonds

The 2021 Bonds are limited obligations of the Authority payable solely from, and secured solely by, Revenues of the Authority, consisting primarily of Base Rental Payments to be received by the Authority from the County under a Facility Lease, originally dated as of April 1, 2014 (the "Facility Lease"), by and between the Authority and the County, as amended and supplemented, and as further amended by a First Amendment to Facilities Lease, dated as June 1, 2021. The Base Rental Payments to be made by the County pursuant to the Facility Lease are payable by the County from its general fund (the "General Fund") to the Authority for the right of the County to use and occupy the ____________________________________ (collectively, the "Facilities"). The County will agree in the Facility Lease to construct the Correctional Center as agent of the Authority and to make all Base Rental Payments, subject to abatement of such Base Rental Payments in the event of delayed completion or material damage to or destruction of the Facilities or a taking of the Facilities in whole or in part.

[Pursuant to a Site Lease, dated as of June 1, 2021 (the "Site Lease"), between the County and the Authority, the County will lease the 2021 Project Site to the Authority.]

Leased Property

The Leased Property supporting Base Rental Payments under the Master Facility Lease consists of various County facilities. See "THE LEASED PROPERTY" herein.

COVID-19 Pandemic

For a discussion of the impact of the COVID-19 Pandemic on the County please see "THE COUNTY" and "COUNTY FINANCIAL INFORMATION" herein.

The 2021 Bonds Constitute Limited Obligations

The 2021 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues and certain funds and accounts held by the Trustee as provided in the Trust Agreement. All the 2021 Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the 2021 Bonds as provided herein. The 2021 Bonds do not constitute a debt of the County, the State or any of its political subdivisions within the meaning of any constitutional debt limitation, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the 2021 Bonds be payable out of any funds or properties other than those of the Authority as provided in the Trust Agreement. NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE 2021 BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OR THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF SAN MATEO (THE "COMMUNITY DEVELOPMENT COMMISSION"), THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Bondowners' Risks

Certain events could affect the County's ability to make the Base Rental Payments when due. See "RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2021 Bonds.

Continuing Disclosure

The County will covenant pursuant to a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to provide certain financial information and operating data relating to the County by not later than March 30 of each calendar year, commencing with the report for fiscal year 2020-21 (ending June 30, 2021) with respect to the 2021 Bonds (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"), not in excess of ten business days after the occurrence of a Listed Event. The Annual Report and the notices of Listed Events will be filed by the County with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated or authorized by the Securities and Exchange Commission (the "SEC") to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org. Except as described under "CONTINUING DISCLOSURE," as of the date hereof, the County has never failed to comply in any material respect with any previous undertakings with regard to the provision of Annual Reports or notices of Listed Events as required by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule"). See "CONTINUING DISCLOSURE" herein and APPENDIX F – "PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Summaries Not Definitive

Brief descriptions of the 2021 Bonds, the Authority, the County and the Facilities are included in this Official Statement, together with summaries of the Site Lease, the Facility Lease and the Trust Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the 2021 Bonds, the Site Lease, the Facility Lease and the Trust Agreement are qualified in their entirety by reference to the actual documents, or with respect to the 2021 Bonds, the forms thereof included in the Trust Agreement, copies of all of which are available for inspection at the corporate trust office of the Trustee at 60 Livingston Avenue, St. Paul, Minnesota 55107.

Additional Information

The County regularly prepares a variety of publicly available reports, including audits, budgets and related documents. Any owner of the 2021 Bonds may obtain a copy of any such report, as available, from the Trustee or the County. Additional information regarding this Official Statement may be obtained by contacting the Trustee or:

Mr. Robert Manchia
Budget Director, County of San Mateo
Hall of Justice and Records
400 County Center, First Floor
Redwood City, California 94063
(650) 363-4597

PLAN OF FINANCE

General

[The 2021 Bonds are being issued by the Authority for the purpose of providing funds, together with other available moneys, to (i) finance the acquisition, construction and equipping of the _____________ (the "2021 Project"), (ii) refund certain bonds previously issued by the Authority, (iii) pay capitalized interest on the 2021 Bonds through __________, and (iv) pay costs of issuance of the 2021 Bonds.]

The 2021 Project

[DESCRIPTION OF PROJECT TO COME]

See "SECURITY FOR THE 2021 Bonds—Additional Bonds" and "COUNTY FINANCIAL INFORMATION—Indebtedness—Anticipated Financings" herein.

Construction of the 2021 Project commenced in April 2013. County officials believe that the County possessed all permits and environmental authorizations necessary to commence construction of the 2021 Project, and will continue to apply for additional permits as necessary (which County officials reasonably expect the County will receive in the normal course) during construction.

[The County has entered a "Construction Manager at Risk" contract (the "2021 Project Contract") with ________________________ (the "Construction Manager"), whereby the Construction Manager provides professional construction management services in connection with the 2021 Project. Pursuant to the 2021 Project Contract, the Construction Manager is responsible for management of all phases of construction of the 2021 Project, including assisting the County in procuring design-build trade contracts with multiple trade contractors for components of the 2021 Project. As of ______, ____, certain contracts had been awarded for approximately $___ million, or ____%, of the 2021 Project costs, all within planned budgeted amounts. The remaining trade contracts are out for bid.]

The Construction Manager will maintain a builder's risk insurance policy that covers up to $__________ for the duration of construction of the 2021 Project. The Construction Manager will also maintain coverage for comprehensive general liability and umbrella/excess liability insurance for the duration of the 2021 Project. In addition, each trade contractor will provide a payment and performance bond in the amount of such trade contractor's construction work.

The County will maintain a pollution insurance policy for the duration of the 2021 Project that provides coverage to the County in the event unknown pollutants are discovered. The pollution insurance policy is subject to a $_______ deductible. If some underground seepage or migration causes work to stop for remediation, the pollution insurance policy would pay for the work to restore the 2021 Project Site to a safe status. With the exception of the deductible, no other County funds are expected to be allocated to pay for such remediation.

The 2021 Project Contract identifies a construction completion date of ___________ at a cost not to exceed $___________. [However, the County anticipates that the 2021 Project Contract will be amended to extend the construction completion date to __________.]

Pursuant to the 2021 Project Contract, the Construction Manager may extend the construction completion date of the 2021 Project in the event of (i) unforeseen site conditions, including any unknown existing conditions on the 2021 Project Site, (ii) any *force majeure* event not due to any act or omission of the Construction Manager or any trade contractor, (iii) rain delays due to rainfall exceeding 0.1 inch on any calendar day, (iv) design errors or omission and (v) changes initiated by the County that impact the critical path of the construction schedule. In the event that the construction time requirements are exceeded without an approved amendment to the 2021 Project Contract, the County is entitled to assess daily liquidated damages against the Construction Manager.

The County estimates that total costs for the 2021 Project will be approximately $___ million, of which approximately $__ million has been expended to date. The 2021 Project cost estimates includes a contingency of $__ million, of which approximately $__ million has been expended to date.

ANNUAL DEBT SERVICE REQUIREMENTS

The table below shows the annual debt service on the 2014 Bonds and the 2021 Bonds. The 2014 Bonds and the 2021 Bonds will be the only Outstanding Bonds issued under the Trust Agreement at the time of issuance of the 2021 Bonds. Certain other long-term obligations payable from the General Fund have been issued and are currently outstanding under trust agreements other than the Trust Agreement. See "COUNTY FINANCIAL INFORMATION—Indebtedness—Long-Term Obligations" herein.

Period Ending (June 30)	Outstanding Bonds Principal	Outstanding Bonds Interest	2021 Bonds Principal	2021 Bonds Interest	Total Debt Service*

*† Totals may not add due to rounding.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the 2021 Bonds and other available amounts are as follows:

	2021 A-1 Bonds	2021 A-2 Bonds
Sources of Funds		
Principal Amount of Bonds	$	$
Net Original Issue Premium		
Equity Contribution		
Total Sources	$	$
Uses of Funds		
Deposit to Project Fund	$	$
Deposit to Interest Account		
Refunding of the 2014 Bonds		
Refunding of Prior Notes		
Costs of Issuance[(1)]		
Total Uses	$	$

(1) Includes legal fees, financing and consulting fees, Underwriters' discount, fees of bond and disclosure counsel and Underwriters' counsel, financial advisory fees, printing costs, rating agency fees and other miscellaneous expenses.

THE 2021 BONDS

General

The 2021 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2021 Bonds. Payments of principal, premium, if any, and interest on the 2021 Bonds will be paid by the Trustee to DTC which is obligated in turn to remit such principal, premium, if any, and interest on the 2021 Bonds to its DTC Participants for subsequent disbursement to the Beneficial Owners (as defined herein) of the 2021 Bonds. See "—DTC and the Book-Entry System" below.

The 2021 Bonds will be dated the date of their initial delivery and will bear interest from such date payable on December 15, 2021, and semi-annually thereafter on June 15 and December 15 of each year (each, an "Interest Payment Date"). Interest on the 2021 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. Ownership interests in the 2021 Bonds will be in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations").

Redemption of the 2021 A-1 Bonds

Optional Redemption of the 2021 A-1 Bonds. The 2021 A-1 Bonds maturing on or before June 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The 2021 A-1 Bonds maturing on or after June 15, 20__ are subject to optional redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part (in such maturities as are designated in writing by the Authority to the Trustee) on any date on or after June 15, 20__, at a redemption price equal to 100% of the principal amount of the 2021 A-1 Bonds called for redemption plus accrued interest thereon to the Redemption Date, without premium.

Mandatory Redemption of the 2021 A-1 Bonds. The 2021 A-1 Term Bonds maturing on June 15, 20__ are subject to redemption prior to their stated maturity, in part on June 15 of each year, on and after June 15, 20__ by lot, from and in the amount of the Mandatory Sinking Fund payments set forth below at a redemption price equal to the sum of the principal amount thereof, plus accrued interest thereon to the Redemption Date, without premium.

2014 Term Bond due June 15, 20__

Date (June 15)	Mandatory Sinking Fund Payment
	$
†	

† Maturity.

Extraordinary Redemption of the 2021 A-1 Bonds. The 2021 A-1 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity of the 2021 A-1 Bonds, in integral multiples of Authorized Denominations, from prepayments made by the County from the net proceeds received by the County due to a taking of the Facilities or portions thereof under the power of eminent domain, or from the net proceeds of insurance received for material damage to or destruction of the Facilities or portions thereof or from the net proceeds of title insurance, under the circumstances described in the Trust Agreement and the Facility Lease, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 A-1 Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written instructions from the Authority, the 2021 A-1 Bonds to be redeemed so that the aggregate annual principal amount of and interest on the 2021 A-1 Bonds which will be payable after such Redemption Date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on the 2021A-1 Bonds Outstanding prior to such Redemption Date.

Redemption of the 2021 A-2 Bonds

Optional Redemption of the 2021 A-2 Bonds. The 2021 A-2 Bonds maturing on or before June 15, 20__ are not subject to optional redemption prior to their respective stated maturities. The 2021 A-2 Bonds maturing on or after June 15, 20__ are subject to optional redemption prior to their respective stated maturities at the written direction of the Authority, from any moneys deposited by the Authority or the County, as a whole or in part (in such maturities as are designated in writing by the Authority to the Trustee) on any date on or after June 15, 20__, at a redemption price equal to 100% of the principal amount of the 2021 A-2 Bonds called for redemption plus accrued interest thereon to the Redemption Date, without premium.

Mandatory Redemption of the 2021 A-2 Bonds. The 2021 A-2 Term Bonds maturing on June 15, 20__ are subject to redemption prior to their stated maturity, in part on June 15 of each year, on and after June 15, 20__ by lot, from and in the amount of the Mandatory Sinking Fund payments set forth below at a redemption price equal to the sum of the principal amount thereof, plus accrued interest thereon to the Redemption Date, without premium.

2021 Term Bond due June 15, 20__

Date (June 15)	Mandatory Sinking Fund Payment
	$
†	

† Maturity.

Extraordinary Redemption of the 2021 A-2 Bonds. The 2021 A-2 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity of the 2021 A-2 Bonds, in integral multiples of Authorized Denominations, from prepayments made by the County from the net proceeds received by the County due to a taking of the Facilities or portions thereof under the power of eminent domain, or from the net proceeds of insurance received for material damage to or destruction of the Facilities or portions thereof or from the net proceeds of title insurance, under the circumstances described in the Trust Agreement and the Facility Lease, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding 2021 A-2 Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written instructions from the Authority, the 2021 A-2 Bonds to be redeemed so that the aggregate annual principal amount of and interest on the 2021 A-2 Bonds which will be payable after such Redemption Date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on the 2021 A-2 Bonds Outstanding prior to such Redemption Date.

Selection of 2021 Bonds for Redemption.

If less than all of the Outstanding 2021 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the 2021 Bonds of such maturity to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the 2021 Bonds so selected for redemption. For purposes of such selection, the 2021 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

Notice of Redemption.

Notice of redemption of any 2014 Bond will be mailed by the Trustee, not less than 20 nor more than 60 days prior to the redemption date, to the respective owners of the 2021 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. So long as DTC is acting as the securities depository for the 2021 Bonds, notice of redemption will be mailed to DTC, not to the Beneficial Owners of the 2021 Bonds. Each notice of redemption shall state the date of such notice, the date of issue of the 2021 Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity date or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the 2021 Bonds of such maturity, to be redeemed and, in the case of 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2021 Bonds the Redemption Price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2021 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption shall not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption shall be cancelled by the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

Effect of Redemption.

If notice of redemption has been duly given pursuant to the Trust Agreement and money for the payment of the redemption price of the 2021 Bonds called for redemption plus accrued interest to the Redemption Date is held by the Trustee, then on the redemption date designated in such notice the 2021 Bonds so called for redemption shall become due and payable, and from and after the date so designated for redemption, the interest on such 2021 Bonds will cease to accrue. Such 2021 Bonds will cease to be entitled to any benefit or security under the Trust Agreement and the bondholders of such 2021 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price thereof plus accrued interest to the Redemption Date.

DTC and the Book-Entry System

DTC will act as securities depository for the 2021 Bonds. The 2021 Bonds are being issued in fully-registered form and, when issued, will be registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered 2014 Bond certificate will be issued for each maturity of the 2021 Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. So long as Cede & Co. is the registered owner of the 2021 Bonds, as nominee of DTC, references herein to the owners of the 2021 Bonds shall mean Cede & Co. and shall not mean the actual purchasers of the 2021 Bonds (the "Beneficial Owners"). The information in this section and in Appendix B concerning DTC and DTC's book-entry system is based solely on information provided by DTC, and no representations can be made by the County, the Authority or the Trustee concerning the accuracy thereof. See APPENDIX B – "BOOK-ENTRY SYSTEM" for a further description of DTC and its book-entry system.

THE LEASED PROPERTY

[Add description of Leased Property]

SECURITY FOR THE 2021 BONDS

Pledge Under the Trust Agreement

The Trust Agreement provides that the 2021 Bonds are payable solely from, and are secured by a lien on, all Revenues (as defined below), any other amounts (including proceeds of the sale of the 2021 Bonds) held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Rebate Fund) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities. "Revenues" consist of (i) all Base Rental Payments and other payments paid by the County and received by the Authority pursuant to the Facility Lease (but not Additional Payments), and (ii) all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) established pursuant to the Trust Agreement or the Facility Lease.

The 2021 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues and certain funds and accounts held by the Trustee as provided in the Trust Agreement. All the 2021 Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the 2021 Bonds as provided herein. The 2021 Bonds do not constitute a debt of the County, the State or any of its political subdivisions within the meaning of any constitutional debt limitation, and neither the County, the State nor any of its political subdivisions is liable thereon, nor in any event shall the 2021 Bonds be payable out of any funds or properties other than those of the Authority as provided in the Trust Agreement. NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE 2021 BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OR THE COMMUNITY DEVELOPMENT COMMISSION, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Outstanding Parity Bonds

As of June 1, 2021, the Authority had outstanding $_________ aggregate principal amount of 2014 Bonds, secured by a pledge, charge and lien upon the Revenues equal to the pledge, charge and lien securing the 2021 Bonds. A portion of the net proceeds of the 2021 Bonds will be used to redeem all or a portion of the outstanding

2014 Bonds. Following delivery of the 2021 Bonds, only the unrefunded 2014 Bonds and the 2021 Bonds will be outstanding under the Trust Agreement.

Base Rental Payments

Revenues of the Authority pledged under the Trust Agreement to the payment of the 2021 Bonds consist primarily of the Base Rental Payments to be made by the County to the Authority under the Facility Lease. The obligation of the County to pay Base Rental Payments to the Authority when due is a General Fund obligation of the County. THE COUNTY HAS NOT PLEDGED THE FULL FAITH AND CREDIT OF THE COUNTY, THE STATE OR ANY AGENCY OR DEPARTMENT THEREOF TO THE PAYMENT OF SUCH BASE RENTAL PAYMENTS. For a further description of the Base Rental Payments, see "BASE RENTAL PAYMENTS" herein.

FOR INFORMATION REGARDING THE COUNTY, INCLUDING FINANCIAL INFORMATION, SEE "THE COUNTY OF SAN MATEO" AND "COUNTY FINANCIAL INFORMATION" HEREIN AND APPENDIX A AND APPENDIX C ATTACHED HERETO. SEE ALSO "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES" HEREIN.

The County's obligation to pay Base Rental Payments is subject to abatement. However, during periods of abatement, any moneys, to the extent available for such purpose, in any of the funds and accounts established under the Trust Agreement (except the Rebate Fund), or proceeds of rental interruption insurance are available to pay Base Rental Payments. See "—Abatement" and "RISK FACTORS—Abatement Risk" herein.

[Series 2014 Reserve Account]

[The Trust Agreement establishes the "Series 2014 Reserve Account," which will be maintained by the Trustee. Funds in the Series 2014 Reserve Account will be available to pay only the principal of and interest on the 2021 Bonds. Additional Bonds, including any Bonds issued to refund the 2014 Bonds or the 2021 Bonds may or may not, at the option of the Authority, have a Reserve Requirement. On the date of delivery of the 2021 Bonds, the County will cause to be deposited into the Series 2014 Reserve Account a portion of the proceeds of the 2021 Bonds in an amount, or a surety bond, in a face amount, at least be equal to the Series 2014 Reserve Account Requirement. The "Series 2014 Reserve Account Requirement" means, as of the date of issuance of the 2021 Bonds an amount equal to $7,422,975.60* and as of June 15, 2017 and, any date of calculation thereafter (calculated on a Bond Year basis), an amount equal to 50% of the lesser of (i) maximum annual Debt Service on all Outstanding 2021 Bonds and any Bonds issued to refund the 2021 Bonds; (ii) 125% of average annual Debt Service on all Outstanding 2021 Bonds and any Bonds issued to refund the 2021 Bonds; or (iii) 10% of the proceeds from the sale of the 2021 Bonds.

The Authority may satisfy all or a portion of the Series 2014 Reserve Account Requirement at any time with the deposit with the Trustee for the credit of the Series 2014 Reserve Account of a surety bond, an insurance policy or a letter of credit (each, a "Reserve Facility"), or any combination thereof which, (i) with respect to a surety bond or insurance policy, is issued by a company licensed to issue an insurance policy guaranteeing the timely payment of the principal of and interest on the 2021 Bonds (a "municipal bond insurer") if such municipal bond insurer is rated by at least one Rating Agency at the time of such deposit in at least one rating in one of the two highest Rating Categories, or (ii) with respect to a letter of credit, is issued or confirmed by a state or national bank, or a foreign bank with an agency or branch located in the continental United States, which has outstanding an issue of unsecured long term debt securities rated at least equal to the rating on the 2021 Bonds given by any rating agency which has a then currently effective rating on the 2021 Bonds. If, at any time the Series 2014 Reserve Account Requirement is funded with a Reserve Facility, the rating of the provider of such Reserve Facility is reduced or withdrawn so that it no longer meets the applicable above-described rating test, the Authority shall be under no obligation to replace such Reserve Facility or to deposit additional cash to the Series 2014 Reserve Account with respect to the amount of such Reserve Facility.

* Preliminary, subject to change.

If the Authority replaces a cash-funded Series 2014 Reserve Account with a Reserve Facility meeting the rating requirement described in either (i) or (ii) in the immediately preceding paragraph, amounts on deposit in the Series 2014 Reserve Account shall, upon Written Request of the Authority to the Trustee, be transferred, subject to the receipt by the Authority and Trustee of an Opinion of Counsel that such transfer will not cause the interest on the 2021 Bonds to be included in gross income for purposes of federal income taxation, to the Authority and applied for the acquisition, construction, installation or equipment of public capital improvements or to the purchase or redemption of Bonds.

All money in the Series 2014 Reserve Account will be used and withdrawn by the Trustee for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such accounts, except that so long as the Authority is not in default under the Trust Agreement, any cash amounts in the Series 2014 Reserve Account in excess of the Series 2014 Reserve Account Requirement will be withdrawn from the Series 2014 Reserve Account and deposited in the Project Fund, prior to completion of the Project, and thereafter to the Revenue Fund on or before each Interest Payment Date.

See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Reserve Fund" hereto.]

Substitution of Facilities

Pursuant to the Facility Lease, the County and the Authority may substitute real property for all or for part of the Facilities being leased for purposes of the Site Lease and the Facility Lease ("Substitute Property"), but only after the County shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

a) Executed copies of the Facility Lease or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property;

b) A Certificate of the County with copies of the Facility Lease or the Site Lease, if needed, or amendments thereto containing the amended description of the Facilities to reflect the Substitute Property stating that such documents have been duly recorded in the official records of the County Recorder;

c) A Certificate of the County, stating that the County intends to use and maintain the Substitute Property for at least the remaining term of the Bonds, and that the annual fair rental value of the Substitute Property will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year or in any subsequent year during the term of the Bonds;

d) Either (i) a policy of title insurance in an amount equal to the principal amount of Bonds then Outstanding (or, if only part of the Facilities will be substituted, in an amount equal to such proportion of the principal amount of the Bonds then Outstanding as the fair rental value of the Substitute Property bears to the fair rental value of the existing Facilities), naming the County as insured owner and showing good and marketable title to the Substitute Property, or (ii) a Certificate of the County stating that, based upon a Title Commitment, if available, the County has good and marketable title to the Substitute Property. The term "Title Commitment" shall mean an irrevocable commitment to issue a CLTA standard coverage owner's policy of title insurance, issued by a national title insurance company, which policy if issued would insure fee simple title in the County, or if not available, a preliminary title report issued by a national title insurance company, in each case subject only to such exceptions to title as would not render such property insufficient for the needs and operations of the County;

e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the Facilities; and

f) An Opinion of Counsel stating that such substitution (i) complies with the terms of the Constitution and laws of the State and of the Trust Agreement; and (ii) will not, in and of itself, cause the interest on the 2021 Bonds to be included in gross income for federal income tax purposes.

Changes to 2021 Project

[Pursuant to the Facility Lease, the County may alter the 2021 Project or issue change orders altering the construction contract plans and specifications during the course of construction, if such changes do not materially reduce or diminish the capacity, adaptability or usefulness of the 2021 Project, and the Authority agrees to cooperate fully with the County to cause such change orders to be implemented. Before the County issues any such change orders which, together with all other change orders, would increase the aggregate cost of construction of the 2021 Project above the moneys available or to be available for such purpose in the Project Fund, or delay completion of the 2021 Project beyond November 30, 2015, the County must arrange with the Authority to pay the increased cost resulting from such change orders, or to pay the Base Rental Payments to become due and payable through the expected completion of the 2021 Project, until such time as the 2021 Project is scheduled to be completed, and, shall deposit funds sufficient to pay such increased cost or such Base Rental Payments, as the case may be, with the Trustee.]

Additional Bonds

Pursuant to the Trust Agreement, the Authority and the Trustee may, by a supplemental trust agreement, provide for the issuance of Additional Bonds, including additional series to complete the build-out of the Shell, subject to satisfaction of certain provisions contained in the Trust Agreement. Additional Bonds will be payable from the Revenues as provided in the Trust Agreement and secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing the outstanding Bonds theretofore issued under the Trust Agreement, subject to the terms and conditions of the Trust Agreement. Additional Bonds may or may not be secured by a debt service reserve account. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Additional Bonds" herein. See also "PLAN OF FINANCE," "COUNTY FINANCIAL INFORMATION—County Debt Limit" and "—Indebtedness—Anticipated Financings" herein.

Investment of Bond Funds

Pursuant to the Trust Agreement, all money held by the Trustee in any of the funds or accounts established pursuant to the Trust Agreement are required to be invested only in "Permitted Investments" as defined in the Trust Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—CERTAIN DEFINITIONS" herein.

BASE RENTAL PAYMENTS

General

Pursuant to the Facility Lease, as rent for the use and occupancy of the Facilities, the County covenants to pay Base Rental Payments and also to pay Additional Payments in amounts required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the Facilities as described in the Facility Lease, including without limitation, the fees, costs and expenses and all administrative costs of the Authority related to the Facilities and the fees of auditors, accountants, attorneys or architects. The Facility Lease provides for the County to pay all Base Rental Payments directly to the Trustee for application as provided in the Trust Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Rental Payments" hereto.

County General Fund Obligation

The obligation of the County to pay Base Rental Payments and Additional Payments when due is a General Fund obligation of the County. THE COUNTY HAS NOT PLEDGED THE FULL FAITH AND CREDIT OF THE COUNTY, THE STATE OR ANY AGENCY OR DEPARTMENT THEREOF TO THE PAYMENT OF SUCH BASE RENTAL PAYMENTS.

Notwithstanding any dispute between the County and the Authority, the County must make all Base Rental Payments and Additional Payments when due without deduction or offset of any kind and cannot withhold any such payments pending final resolution of such dispute. The Facility Lease is a "net-net-net lease" and the County agrees that the rents provided for therein will be an absolute net return to the Authority free and clear of any expenses, charges or set-offs whatsoever. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Payments to be Unconditional" hereto.

Covenant to Budget and Appropriate

Pursuant to the Facility Lease, the County covenants to take such action as may be necessary to include Base Rental Payments and Additional Payments due in its annual budgets and to make the necessary annual appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Appropriations Covenant" hereto.

Insurance.

The Facilities will be insured to the extent set forth in the Facility Lease. The Facility Lease requires the County to maintain or cause to be maintained insurance throughout the term of the Facility Lease (but during the period of construction of the 2021 Project, only if such insurance is not provided by the Construction Manager or a Contractor under a construction contract). Such insurance will, as nearly as practicable, cover loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. The extended coverage insurance will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed $500,000 or comparable amount adjusted for inflation), or in the alternative, shall be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable all Bonds then outstanding to be redeemed. Pursuant to the Facility Lease, the County may self-insure for such risks. The proceeds of all property insurance must be used to repair, reconstruct or replace the Facilities or any portion thereof which is destroyed or damaged or to redeem Bonds. The County self-insures its real property with respect to most hazards; the County maintains excess insurance coverage for claims over $100,000 and up to a maximum replacement value of $500 million. See "COUNTY FINANCIAL INFORMATION—Self-Insurance Programs" herein. The County currently insures all of its buildings against earthquake and flood damage through a $25 million per occurrence and in the aggregate property insurance policy, which is subject to a deductible equal to 5% of the value of each building affected, or a minimum of $250,000, whichever is greater. The County makes no pledge to maintain such insurance and may discontinue earthquake coverage at its sole discretion. See "RISK FACTORS—Risk of Uninsured Loss" and "—Risk of Earthquake" herein. See also APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Insurance" hereto.

Pursuant to the Facility Lease, during the period of construction of the 2021 Project, casualty insurance for the construction amount shall be provided by the Construction Manager or by a Contractor under a construction contract. Commencing with its use and occupancy of the 2021 Project, the County is also required to procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or loss of the use of the Facilities as a result of any of the hazards covered by the extended insurance coverage described in the previous paragraph, in an amount at least equal to the maximum Base Rental Payments coming due and payable during any two consecutive Fiscal Years during the remaining term of the Facility Lease, except that such insurance may be subject to a deductible clause of not to exceed $500,000 or comparable amount adjusted for inflation. The County may not self-insure for rental interruption insurance. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Insurance" hereto.

Abatement.

Base Rental Payments are paid by the County in each rental payment period for and in consideration of the right of use and occupancy of the Facilities during each such period for which said rental is to be paid.

Prior to the expected occupancy of the 2021 Project, Base Rental Payments are payable from proceeds of the 2021 Bonds on deposit in the Interest Account under the Trust Agreement (the "Capitalized Interest Period"). If the Authority, for any reason whatsoever, cannot deliver possession of the 2021 Project by the end of the Capitalized Interest Period, the rent payable under the Facility Lease with respect to the 2021 Project shall be abated proportionately, in the proportion which the construction cost of the part or parts of the 2021 Project not yet delivered to the County bears to the aggregate construction cost of the 2021 Project, with respect to the period between the end of the Capitalized Interest Period and the time when the Authority delivers possession. There can be no assurance that the construction of the 2021 Project will be substantially completed within the estimated budget or by the expected completion date. Pursuant to the Trust Agreement, Additional Bonds can be issued upon compliance with certain conditions to pay the costs of completing the 2021 Project, but there is no assurance that Additional Bonds can or would be issued. See "SECURITY FOR THE 2021 BONDS—Additional Bonds" and "RISK FACTORS—Abatement Risk" herein.

In addition, the Base Rental Payments and Additional Payments will be abated proportionately during any period in which by reason of any damage or destruction or defect in title (other than by condemnation which is otherwise provided for in the Facility Lease) there is substantial interference with the use and occupancy of the Facilities by the County, in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole Facilities. Such abatement will continue for the period commencing with such damage or destruction or defect in title and ending with the substantial completion of the work of repair or reconstruction or resolution of the defect in title. In the event of any such damage, destruction or defect, the Facility Lease continues in full force and effect and the County waives any right to terminate the Facility Lease by virtue of any such damage, destruction or defect. In the event the Facilities cannot be repaired during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments (a period of two years) plus the period for which funds are available from the Series 2014 Reserve Account, or in the event that casualty insurance proceeds are insufficient to provide for complete repair of the Facilities, there could be insufficient funds to cover payments to Bondowners in full. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Insurance."

Default and Remedies

Events of Default under the Facility Lease include the following: (i) the failure of the County to pay any rental payable under the Facility Lease when the same becomes due and payable, (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Facility Lease to be kept or performed by the County after notice and the elapse of a 60-day grace period, (iii) the County's interest in the Facility Lease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as provided for in the Facility Lease, (iv) the County or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the County asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the County's debts or obligations, or offers to the County's creditors to effect a composition or extension of time to pay the County's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the County's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the County, or if a receiver of the business or of the property or assets of the County shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the County shall make a general or any assignment for the benefit of the County's creditors, or (v) the County shall abandon or vacate the Facilities.

Upon the occurrence of any Event of Default described above, the County will be deemed to be in default under the Facility Lease and the Trustee may exercise any and all remedies available pursuant to law or granted to the Authority pursuant to the Facility Lease and assigned to the Trustee pursuant to the Trust Agreement. Upon any such default, the Trustee, as assignee of the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

a) To terminate the Facility Lease in the manner in the Facility Lease provided, notwithstanding any re-entry or re-letting of the Facilities as described by paragraph (b) below, and to re-enter the Facilities and, to the extent permitted by law, remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place located within the County.

b) Without terminating the Facility Lease, (i) to collect each installment of rent as it becomes due and enforce any other terms or provision of the Facility Lease to be kept or performed by the County, regardless of whether or not the County has abandoned the Facilities, or (ii) to exercise any and all rights of entry and re-entry upon the Facilities.

In addition to the other remedies set forth above, upon the occurrence of an Event of Default, the Trustee, as assignee of the Authority, shall be entitled to proceed to protect and enforce the rights vested in the Trustee, as assignee of the Authority, by the Facility Lease and under the Site Lease or by law or by equity. The provisions of the Facility Lease and the duties of the County and of its trustees, officers or employees shall be enforceable by the Trustee, as assignee of the Authority, by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Trustee, as assignee of the Authority, shall have the right to bring the following actions:

a) *Accounting*. By action or suit in equity to require the County and its trustees, officers and employees and its assigns to account as the trustee of an express trust.

b) *Injunction*. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

c) *Mandamus*. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided in the Facility Lease.

If an Event of Default occurs under the Facility Lease, there is no remedy of the acceleration of the total Base Rental Payments due over the term of the Facility Lease, and the Trustee is not empowered to sell a fee simple interest in the Facilities and use the proceeds of such sale to redeem the 2021 Bonds or pay debt service thereon. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Default; Remedies" hereto.

FOR A FURTHER DESCRIPTION OF THE PROVISIONS OF THE FACILITY LEASE, INCLUDING THE TERMS THEREOF AND A DESCRIPTION OF CERTAIN COVENANTS THEREIN, INCLUDING CONSTRUCTION, MAINTENANCE, UTILITIES, TAXES, ASSESSMENTS, INSURANCE AND EVENTS OF DEFAULT AND AVAILABLE REMEDIES, SEE "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE" IN APPENDIX D ATTACHED HERETO.

THE COUNTY OF SAN MATEO

[TO COME]

COUNTY FINANCIAL INFORMATION

The following is a description of the County's budget process, historical budget information, changes in fund balance, balance sheets, its major revenues and expenditures, indebtedness, investments and certain other financial information relating to the County. *Certain statistical and economic data provided in this section is historical and may differ materially from future results as a result of economic or other factors, including COVID-19.*

[TO COME]

RISK FACTORS

The following factors, which represent material risk factors that have been identified at this time, should be considered along with all other information in this Official Statement by potential investors in evaluating the 2021 Bonds. There can be no assurance made that other risk factors will not become evident at any future time.

Base Rental Payments Not County Debt

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021 BONDS NOR FOR THE PAYMENT OF BASE RENTAL PAYMENTS UNDER THE FACILITY LEASE. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Base Rental Payments and other payments due under the Facility Lease. The same result could occur if, because of State Constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues.

The 2021 Bonds are being issued by the Authority pursuant to the Joint Exercise of Powers Act, California Government Code 6500 *et seq.* (the "JPA Act"), and are not debt of the County. The Supreme Court of the State of California in its 1998 decision of *Rider v. City of San Diego*, 18 Cal. 4th 1035, upheld the validity of a joint powers agency financing and found that bonds issued pursuant to the JPA Act and payable from lease payments made pursuant to a lease with the City of San Diego were not subject to the State constitutional provision that requires two-thirds voter approval of indebtedness incurred by a city, county or school district. No voter approval of the 2021 Bonds or the Facility Lease has been sought. Based on an analysis of existing laws and court decisions, Bond Counsel is delivering its opinion on the validity of the 2021 Bonds and the Facility Lease in the form attached hereto in APPENDIX E.

Abatement Risk

There can be no assurance that the 2021 Project will be substantially completed within the estimated budget or by the expected completion date. If the County is unable to take possession of the 2021 Project, the rent payable under the Facility Lease with respect to the 2021 Project shall be abated proportionately as set forth in the Facility Lease. In addition, during any period in which, by reason of material damage, destruction, condemnation or title defect, there is substantial interference with the use and occupancy by the County of any portion of the Facilities, rental payments due under the Facility Lease with respect to the Facilities will be abated proportionately, and the County waives any and all rights to terminate the Facility Lease by virtue of any such interference and the Facility Lease shall continue in full force and effect. See "SECURITY FOR THE 2021 BONDS—Base Rental Payments" and "BASE RENTAL PAYMENTS—Abatement" herein.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Base Rental Payments due over the term of the Facility Lease and the Trustee is not empowered to sell a fee simple interest in the Facilities and use the proceeds of such sale to prepay the 2021 Bonds or pay debt service thereon. The County thus would be liable only for principal and interest payments as they became due, and the Trustee would be required to seek a separate judgment for each payment, if any, not made. Any such suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

Limitation on Remedies

The enforcement of any remedies provided in the Facility Lease and the Trust Agreement could prove both expensive and time consuming. Although the Facility Lease provides that if the County defaults the Authority may reenter the Facilities and re-let it, portions of the Facilities may not be easily recoverable, and even if recovered, could be of little value to others because of the Facilities' specialized nature. Additionally, the Authority may have limited ability to re-let the Facilities to provide a source of rental payments sufficient to pay the principal and interest on the Bonds so as to preserve the tax-exempt nature of interest on the 2021 Bonds. Furthermore, due to the governmental nature of the Facilities, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Authority may terminate the Facility Lease and proceed against the County to recover damages pursuant to the Facility Lease. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Risk of Uninsured Loss

The County covenants under the Facility Lease to maintain certain insurance policies on the Facilities. These insurance policies do not cover all types of risk. For example, the Facilities could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Base Rental Payments could occur and could continue indefinitely. In cases where the casualty is covered by insurance, there can be no assurance that the County's insurance carriers will in all events be able or willing to make payments under their respective policies should a claim be made. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Facilities will be sufficient to repair or replace the Facilities or to redeem the 2021 Bonds.

The County currently insures all its buildings against earthquake and flood damage. However, the County makes no pledge to maintain such insurance and may discontinue earthquake coverage at its sole discretion. See "—Risk of Earthquake" below.

Certain of the County's insurance policies provide for deductibles that vary according to insured peril. Should the County be required to meet such deductible expenses, the availability of General Fund revenues to make Base Rental Payments may be correspondingly affected.

No Limitation on Incurring Additional Obligations

Neither the Facility Lease nor the Trust Agreement contains any limitations on the ability of the County to enter into other obligations that may constitute additional claims against its General Fund revenues. To the extent that the County incurs additional obligations, the funds available to make Base Rental Payments may be decreased. The County is currently liable on other obligations payable from General Fund revenues. See "COUNTY FINANCIAL INFORMATION—Indebtedness" herein.

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and the Facility Lease may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. The County is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the County is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment superior to that of Owners of the 2021 Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the County's various obligations over the objections of the Trustee or all of the Owners of the 2021 Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors. The adjustment of similar obligations is currently being litigated in federal court in connection with bankruptcy applications by the cities of San Bernardino and Stockton. The Adjustment Plans in these cities propose significant reductions in the amounts payable by the cities under lease revenue obligations substantially identical to the 2021 Bonds. The County can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy.

In addition, the County could either reject the Site Lease or the Facility Lease or assume the Site Lease or the Facility Lease despite any provision of the Site Lease or the Facility Lease that makes the bankruptcy or insolvency of the County an event of default thereunder. If the County rejects the Facility Lease, the Trustee, on behalf of the Owners of the 2021 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021 Bonds. Moreover, such rejection would terminate the Facility Lease and the County's obligations to make payments thereunder. The County may also be permitted to assign the Facility Lease (or the Site Lease) to a third party, regardless of the terms of the transaction documents. If the County rejects the Site Lease, the Trustee, on behalf of the Owners of the 2021 Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021 Bonds. Moreover, such rejection may terminate both the Site Lease and the Lease and the obligations of the County to make payments thereunder.

The Authority is a public agency and, like the County, cannot be the subject of an involuntary case under the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. If the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Trust Agreement. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the 2021 Bonds; and (iv) the possibility of the adoption of an Adjustment Plan for the adjustment of the Authority's various obligations over the objections of the Trustee or all of the Owners of the 2021 Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is fair and equitable and in the best interests of creditors.

In addition, in a bankruptcy of the Authority, the assignment by the Authority to the Trustee of the Site Lease and the Facility Lease could be characterized as a pledge rather than an absolute assignment. Under such circumstances, the Authority may be able to either reject the Site Lease or the Facility Lease or assume the Site Lease or the Facility Lease despite any provision of the Site Lease or the Facility Lease that makes the bankruptcy or insolvency of the Authority an event of default thereunder. If the Authority rejects the Site Lease, the Trustee, on behalf of the Owners of the 2021 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021 Bonds. Moreover, such rejection would terminate both the Site Lease and the Facility Lease and the obligations of the County to make payments thereunder. If the Authority rejects the Facility Lease, the Trustee, on behalf of the Owners of the 2021 Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021 Bonds. Moreover, such rejection may terminate the Facility Lease and the County's obligations to make payments thereunder. The Authority may also be permitted to assign the Site Lease or the Facility Lease to a third party, regardless of the terms of the transaction documents.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," certain acts or omissions of the County in violation of its covenants in the Trust Agreement and the Facility Lease could result in the interest evidenced by the 2021 Bonds being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the 2021 Bonds. Should such an event of taxability occur, the 2021 Bonds would not be subject to a special redemption and would remain Outstanding until maturity or until redeemed under the provisions contained in the Trust Agreement.

Risk of Earthquake

There are several earthquake faults in the greater San Francisco Bay Area that potentially could result in damage to buildings, roads, bridges, and property within the County in the event of an earthquake. Past experiences, including the 1989 Loma Prieta earthquake, have resulted in minimal damage to the infrastructure and property in the County. Earthquake faults that could affect the County include the San Andreas Fault within portions of the County. Local building codes take into account the likelihood of seismic activity and are intended to provide both earthquake building design integrity and safety to the building occupants.

It is possible that the County could sustain damage to its facilities if a major seismic event greater than those experienced in recent years should occur within or near the County. Such damage would likely occur from ground motion and possible liquefaction of underlying soils. Damage could include slope failures along shorelines, pavement displacement, distortions of pavement grades, breaks in utility, drainage and sewage lines, displacement or collapse of buildings and other facilities, failure of bulkhead walls and rupture of gas and fuel lines. Any such destruction could adversely affect the County's ability to make Base Rental Payments.

The Facility Lease does not require the County to maintain earthquake insurance on the Facilities. The County currently insures all of its buildings against certain risks, including earthquake damage, through a $25 million per occurrence and in the aggregate property insurance policy, subject to certain deductibles as described under "COUNTY FINANCIAL INFORMATION—Self-Insurance Programs" herein. Earthquake insurance may be reduced or eliminated at the County's sole discretion.

Risk of Sea Level Changes and Flooding

[UPDATE] [UPDATE] The County currently is a plaintiff in a lawsuit in the Superior Court of the State of California in the County of San Mateo, Case No. 17 CIV 03222 currently before the 9th Circuit Court of Appeals, Case No. 18-15499. The defendants include the largest oil and coal companies operating in the US. The lawsuit alleges various causes of action directly or indirectly related to climate change resulting from the defendants' production, promotion, marketing, and use of fossil fuel products, simultaneous concealment of the known hazards of those products, and their championing of antiregulation and anti-science campaigns. The lawsuit also alleges that the County has already incurred millions of dollars of expenses related to planning for and predicting future sea level rise injuries to its real property, improvements thereon, civil infrastructure, and citizens, to preemptively mitigate and/or prevent such injuries. The lawsuit further alleges that the assessed value of parcels threatened with serious or permanent inundation as a result of sea level rise totaled in the billions of dollars and that hundreds of millions of dollars in assessed property values could be at risk from erosion on the Coastside north of Half Moon Bay.

The 2021A Bonds are limited obligations payable solely from, and secured solely by, the Revenues consisting primarily of Base Rental Payments to be made by the County from its General Fund for the right of the County to use and occupy the Leased Property. The complaint filed by the County specifically references an area where certain of the Leased Property (County Office Building #2 and the Regional Operations Center) is located as being threatened with flooding and other harm from sea level rise. The County expects to release both the County Office Building #2 and the Regional Operation Center from the Leased Property in 2028. See, "THE LEASED PROPERTY" herein. Base Rental Payments will be abated during any period in which by reason of any damage or destruction there is substantial interference with the use and occupancy of the Leased Property by the County. In addition, the amount of property and other tax revenues available to the General Fund may be reduced in the event of widespread damage to property in the County even if there is no abatement of Base Rental Payments.

The County initiated a study of the vulnerability of land in the County to risks resulting from potential sea level rise. The study was completed in March 2018 and titled "County of San Mateo Sea Level Rise Vulnerability Assessment" (the "Assessment"). The Assessment references and finds risk of potential impacts to property in the County in the event of various sea level rise scenarios. The Assessment concludes that if the sea level were to rise to specific levels, the resulting flooding could damage infrastructure and property in the County, including certain of the Leased Property to varying degrees based on varying levels of flooding. The Assessment states that the total assessed value of parcels that would be flooded in the event of 3.3 feet of sea level rise and a 1% annual chance storm scenario is $34 billion for property located on the County's San Francisco Bay shoreline and Coastside north of Half Moon Bay. In addition, $932 million in assessed property values could be at risk from erosion on the Coastside north of Half Moon Bay. Investors may review the Assessment, which is available on the County of San Mateo website on the County of San Mateo website (http://seachangesmc.com/vulnerability-assessment/) under the menu choice "Our Efforts: Sea Level Rise Vulnerability Assessment" for further information and evaluation, however, neither the Assessment nor the County's website is incorporated by reference herein. In the event the Leased Property cannot be repaired during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments for a period of two years plus the period for which funds are available from debt service reserves or surety at the levels provided in each of the legal documents associated with the Bonds, or in the event that casualty insurance proceeds are insufficient to provide for complete repair of the Leased Property, there could be insufficient funds to cover payments to 2021 Bond owners in full.

The County is unable to determine what effect, if any, the above information or actual rise in sea level may have on the investment value of the 2021A Bonds.

Wildfires

[UPDATE] Based on Cal Fire's Fire Hazard Severity Zone maps, San Mateo County has areas of land that are located in moderate, high, and very high fire severity hazard zones, with significant land area in the very high severity zone. The San Mateo - Santa Cruz Unit Strategic Fire Plan completed in 2017 states that "Due to the local topography, fuels (forest, chaparral, grasslands) and certain weather conditions, San Mateo and Santa Cruz counties are prone to periodic large wildfire events." Wildfire fire severity is expected to increase with climate change. The County received SB1 grant funds from Caltrans to further understand how wildfire risk may change with climate change, and to understand how changes in wildfire risk due to climate change could affect transportation routes and communities.

While a wildfire event is possible and could have significant impacts on County property and in unincorporated areas, the County is unable to determine what effect wildfire may have on the investment value of the 2021A Bonds.

Hazardous Substances

[Owners and operators of real property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

The County has undertaken significant remedial action on the 2021 Project Site. [Describe remedial action at Project Site] Accordingly, the County knows of no existing hazardous substances which require further remedial action on or near the 2021 Project Site. However, it is possible that such substances do currently or potentially exist and that the County is not aware of them.]

Cybersecurity

[The County, like many other large public sector entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities (National and International) or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. As a result of these potential risks, the County has created and updated information technology policies, implemented annual IT Security Training, strengthened identity and access management capabilities and enhanced and deployed several security controls across of the organization to protect the County's network, computer assets and users.

In the last two years, there have been two cyber security incidents of note. One was a successful phishing attack that affected less than a dozen end users. The second was a website defacement because of a departmental administrator with a weak password. Neither event resulted in any litigation or increased cyber security or remediation costs.

The County believes that its measures to manage cyber threats are reasonable and are comparable to or exceed measures taken by similar government entities. However, no assurance can be given that a future cyber-attack will not materially impact the operations or finances of the County.]

Other Natural Hazards

[According to the County's Local Hazard Mitigation Plan, the County is exposed to a number of different hazards. The Plan states "Natural and human-caused hazards affect citizens, property, the environment, and the economy of San Mateo County. Climate change, drought, earthquakes, floods, landslides, severe weather, tsunamis, wildfires, and dam failures have exposed San Mateo County residents and businesses to the financial and emotional costs of recovering after natural disasters. Additionally, human-caused hazards such as hazardous material releases, pipeline and tank leaks, terrorism, airline incidents, and cyber threats have the potential to further affect the County. The risk associated with both natural and human-caused hazards increases as more people move to or visit areas affected by those hazards." (Local Hazard Mitigation Plan 2016.)

There is the potential for each of these hazards to affect the investment value of the 2021A Bonds, but the County is unable to determine the exact impact.]

Limitation on Revenues

There are limitations on the ability of the County to increase revenues. The ability of the County to increase the *ad valorem* property taxes (which have historically been an important source of revenues for counties in California) is limited pursuant to Article XIIIA, which was enacted in 1978. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES" herein.

The County receives a significant portion of its revenue from State and federal sources. Decreases in revenues received by the State can affect subventions made to the County and other counties in the State. In addition, actions taken by Congress and federal executive branch agencies including, without limitation, reductions in federal spending, could materially reduce the revenues received by the County. The potential impact of State budget actions for future fiscal years on the County is uncertain at this time. See "COUNTY FINANCIAL INFORMATION—Intergovernmental Revenues" herein. See also "—State Budget Concerns" below.

State Budget Concerns

The State, upon which the County relies for a significant portion of its revenues, has experienced budget shortfalls in recent years. While there has been recent significant budgetary improvements, there remain a number of major risks and pressures that threaten the State's financial condition. In addition, the State's revenues can be volatile. Decreases in State revenues may significantly affect appropriations made by the State to counties and the timing of payment to counties by the State may depend upon the ability of the State to access the credit markets with respect to its own cash flow borrowings in the future. See "COUNTY FINANCIAL INFORMATION—Intergovernmental Revenues" and "STATE OF CALIFORNIA BUDGET AND RELATED INFORMATION" herein.

Premium Bonds

Some 2021 Bonds may be purchased at a premium. Any extraordinary redemption of the 2021 Bonds could cause the holders a loss of the premium paid by the investors upon purchase of the 2021 Bonds.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES

The following is a discussion of certain limitations on the ability of the County to increase revenues payable to the County General Fund or to make expenditures therefrom.

Property Tax Rate Limitations — Article XIIIA

Article XIIIA of the State Constitution limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster. Article XIIIA also permits reductions of the "full cash value" in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls, with tax rates expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of full cash value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Appropriations Limitations — Article XIIIB

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). The formula set forth in Article XIIIB for determining a local governmental entity's appropriations limit was subsequently amended by Proposition 111 (1990). Under Article XIIIB, the State and each local governmental entity has an annual "appropriations limit" and is not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain fiscal year 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

"Appropriations subject to limitation" are authorizations to spend "proceeds of taxes," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service," but "proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on appropriations of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

Not included in the Article XIIIB limit are appropriations for the debt service costs of bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government and appropriations for qualified capital outlay projects. The appropriations limit may also be exceeded in certain cases of emergency.

The appropriations limit for the County in each year is based on the County's limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the County's option, either (i) the percentage change in State per capita personal income, or (ii) the percentage change in the local assessment roll on nonresidential property.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by a County over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Starting with fiscal year 1990-91, pursuant to amendments to Article XIIIB, the County's appropriations limit was calculated by taking the actual fiscal year 1986-87 limit, and applying annual adjustments permitted by Article XIIIB.

[The County's appropriations limit for fiscal year 2019-20 is approximately $____ million. For fiscal year 2019-20, the estimated appropriations subject to the limit amount is approximately $____ million. The County does not anticipate that the appropriation limit will restrict its spending even if certain appropriations, such as appropriations to comply with prior federal government mandates under the Affordable Care Act (ACA), which are not currently counted against the Article XIIIB limit, are no longer mandated costs subject to exclusion. This is because the County has planned a large amount of appropriations for qualified capital outlay projects (which are excluded from the Article XIIIB limit) that will replace other spending that currently counts against the appropriations limit.].

Articles XIIIC and XIIID — Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Article XIIIC ("Article XIIIC") and Article XIIID ("Article XIIID") to the State Constitution, which contains a number of provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIIIC requires that all new local taxes or increases in existing local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. The voter-approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet any increased expenditure requirements.

Article XIIID contains provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property. Article XIIID also contains several provisions affecting "property-related fees" and "charges," defined for purposes of Article XIIID to mean "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property-related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property-related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property-related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The County must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the County may not impose or increase the fee or charge. Fees for electrical and gas service are explicitly exempted from the definition of "property-related" under Article XIIID. Property-related fees or charges for services other than sewer, water and refuse collection services may not be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. In addition to the provisions described above, Proposition 218 removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge.

Proposition 218 continues to be interpreted by California courts. The State Supreme Court's 2006 decision in *Bighorn-Desert View Water Agency* found that metered charges for consumption of water by a public agency fell within the "property-related" fees subject to Proposition 218. Fees for sewer and refuse collection could also be found to be within the definition of property-related fees. If such charges are property-related charges, rate increases would be subject to notice, hearing and majority protest, but not prior voter approval, and rates and charges could be reduced by referendum.

The annual amount of revenues that are received by the County and deposited into its General Fund which may be considered to be property related fees and charges under Article XIIID is not substantial. Accordingly, the County does not presently anticipate that any impact Article XIIID may have on future fees and charges will adversely affect the ability of the County to pay the principal of and interest on the 2021A Bonds as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services to avoid new costs for the County General Fund in the event the fees and charges that presently finance them are reduced or repealed.

Proposition 1A

Proposition 1A, approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. By adding Section 25.5 to Article XIII of the State Constitution, Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature.

Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

By amending Section 15 of Article XI of the State Constitution, Proposition 1A also provides that if the State reduces the VLF rate, the State must provide local governments with equal replacement revenues. Further, by amending Section 6 of Article XIIIB, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates. See, "Appropriations Limitations – Article XIIIB" above.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for state-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26

On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (i) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (ii) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (iii) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (iv) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (v) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (vi) a charge imposed as a condition of property development; and (vii) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not expect the provisions of Proposition 26 to materially and adversely affect its ability to pay Base Rental Payments when due.

Proposition 30

On November 6, 2012, voters approved Proposition 30, also known as "Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment," which added to the State Constitution certain requirements related to the transfer of specified State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees and providing substance abuse treatment services. Proposition 30 will not have a material impact upon the County or its ability to pay Base Rental Payments when due.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID and the other Propositions referenced above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other State or local initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

THE AUTHORITY

The San Mateo County Joint Powers Financing Authority was formed pursuant to the provisions of Articles 1 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and a Joint Exercise of Powers Agreement, dated May 15, 1993, as amended, by and between the County and the Community Development Commission. The Community Development Commission is a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq*. of the California Health and Safety Code. The Community Development Commission is not a redevelopment agency or successor thereto.

The Authority was formed to assist the County in the financing of public capital improvements. The Authority presently acts as lessor for the Facilities, as well as the issuer in other County financings. The Authority functions as an independent entity and its policies are determined by a five-member board appointed by the Board. The Authority has no employees and all staff work is done by the County staff or by consultants to the Authority.

TAX MATTERS

[UPDATE] In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2021 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the 2021 Bonds is less than the amount to be paid at maturity of such 2021 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2021 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2021 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2021 Bonds is the first price at which a substantial amount of such maturity of the 2021 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2021 Bonds accrues daily over the term to maturity of such 2021 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2021 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2021 Bonds. Beneficial Owners of the 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2021

Bonds in the original offering to the public at the first price at which a substantial amount of such 2021 Bonds is sold to the public.

2021 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2021 Bonds. The Authority and the County have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2014 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2021 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2021 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2021 Bonds may adversely affect the value of, or the tax status of interest on, the 2021 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2021 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, the House Ways and Means Committee Chair recently released draft legislation. This draft legislation would subject interest on the 2021 Bonds to federal income tax at an effective rate of 10% or more for individuals, trusts or estates in the highest income tax bracket. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2021 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the County have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2021 Bonds ends with the issuance of the 2021 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the County or the Beneficial Owners regarding the tax-exempt status of the 2021 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the County and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2021 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2021 Bonds, and may cause the Authority, the County or the Beneficial Owners to incur significant expense.

INDEPENDENT ACCOUNTANTS

The financial statements of the County for the fiscal year ended June 30, 2020 included in Appendix C to this Official Statement, have been audited by Macias Gini & O'Connell LLP, the County's independent auditor, as set forth in their report dated __________, 2021, which also appears in Appendix C. Macias Gini & O'Connell LLP has not been engaged to and has not performed any procedures subsequent to the date of their report related to the financial statements included herein nor performed any procedures related to this Official Statement. See "COUNTY FINANCIAL INFORMATION—Financial Statements" herein.

CONTINUING DISCLOSURE

The County will covenant pursuant to separate Continuing Disclosure Agreements to provide Annual Reports by not later than March 30 of each calendar year, commencing with the report for fiscal year 2020-21 to be filed on or before March 30, 2022 with respect to the 2021 Bonds. The County will provide notices of the Listed Events not later than ten business days after the occurrence of the event. The Annual Report and the notices of Listed Events will be filed by the County with the MSRB or any other entity designated or authorized by the SEC to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the EMMA website of the MSRB, currently located at http://emma.msrb.org. These covenants will be made in order to assist the Underwriters (as defined herein) in complying with the Rule. (In 2016, the County incorrectly filed a notice of defeasance related to the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds (Youth Services Campus) 2008 Series A.) See APPENDIX F – "PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

LEGAL MATTERS

The validity of the 2021 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe (US) LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriters by ____. Certain legal matters will be passed upon for the Authority and for the County by County Counsel and by Norton Rose Fulbright US LLP, San Francisco, California, Disclosure Counsel to the Authority and the County. Eric Tashman, a partner in the law firm of Norton Rose Fulbright US LLP, which is serving as Disclosure Counsel to the County and the Authority in connection with the issuance of the 2021 Bonds, is a member of the Retirement Board of SamCERA. Bond Counsel, Disclosure Counsel and Underwriters' Counsel will receive compensation contingent upon the sale and delivery of the 2021A Bonds.

LITIGATION

The County is not currently aware of any litigation that is pending or threatened concerning the validity of the 2021 Bonds, the Site Lease, the Facility Lease or the Trust Agreement, and with that continuing to be the case, an opinion of County Counsel to that effect will be furnished to the Underwriters at the time of the original delivery of the 2021 Bonds. There are a number of lawsuits and claims pending against the County. In the opinion of County Counsel, the aggregate amount of liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's self-insurance program, its excess insurance coverage, or other sources of funds that would not materially adversely affect the payment of the 2021 Bonds.

The Authority is not aware of any litigation pending or threatened questioning the political existence of the Authority or the County or contesting the County's ability to appropriate or make Base Rental Payments.

RATINGS

Moody's Investor's Service, Inc. and S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") have assigned ratings of "___" and "___," respectively, to the 2021 Bonds. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the 2021 Bonds. There is no assurance that such ratings will continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, or either of them, if in their, or its, judgment, circumstances so warrant. The Authority, the County and the Trustee undertake no responsibility either to notify the Owners of the 2021 Bonds of any revision or withdrawal of the ratings or to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the 2021 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The 2021 Bonds are being purchased by ______________________________________ (collectively, the "Underwriters" and each, an "Underwriter"). The Underwriters have agreed to purchase the 2021 Bonds at a purchase price of $__________ (representing the aggregate principal amount of the 2021 Bonds, less an Underwriters' discount of $__________, plus a net original issue premium of $__________). The Underwriters will purchase all of the 2021 Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the contract of purchase relating to the 2021 Bonds.

The Underwriters may also offer and sell the 2021 Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority and/or the County for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and/or the County.

MUNICIPAL ADVISOR

California Financial Services (the "Municipal Advisor") has acted as Municipal Advisor to the County in conjunction with the issuance of the 2021 Bonds. The Municipal Advisor has assisted the Authority and the County in preparation of this Official Statement and in other matters related to the planning, structuring, issuance of the 2021 Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2021 Bonds.

The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in the Official Statement, or any other information related to the Authority or the County with respect to the accuracy or completeness of disclosure of such information. The Municipal Advisor makes no guaranty, warranty or other representation respecting the accuracy or completeness of this Official Statement or any other matter related to this Official Statement.

MISCELLANEOUS

Any statements in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, are intended solely as such and not as representations of fact.

The preparation and distribution of this Official Statement have been authorized by the Authority and the County.

SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY

By: ____
President

COUNTY OF SAN MATEO

By: ____
County Manager

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO

There follows in this Official Statement a brief description of the County of San Mateo, California (the "County"), together with current information concerning the County's demographics and economy. The general information in this section concerning the County is provided as supplementary information only. Such information is provided as general information and has been obtained from sources that the County believes to be reliable, but the County makes no representations as to the accuracy or completeness of the information included.

[TO COME]

APPENDIX B

BOOK-ENTRY SYSTEM

The information in this Appendix concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2021 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2021 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2021 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The DTC will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has been rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated by reference herein.

Purchases of the 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual

Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2021 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, redemption proceeds and interest payments on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the 2021 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2021 Bonds at any time by giving reasonable notice to Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2014 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2014 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

APPENDIX C

AUDITED COMBINED FINANCIAL STATEMENTS OF THE COUNTY FOR FISCAL YEAR 2019-2020

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX E
PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of _______, 2021, is executed and delivered by the County of San Mateo (the "County") and U.S. Bank National Association, as Dissemination Agent (as hereinafter defined), in connection with the issuance of $___________ San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 and $___________ San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 (Federally Taxable) (collectively, the "Bonds"). The Bonds are being issued pursuant to the Marks Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, and a Trust Agreement, originally dated as of April 1, 2014, by and between the San Mateo County Joint Powers Financing Authority (the "Authority") and U.S. Bank National Association (the "Trustee"), as amended and supplemented and as further supplemented by a First Supplemental Trust Agreement, dated as of June 1, 2021 relating to the Bonds. The County and the Dissemination Agent covenant and agree as follows:

SECTION 1. **Purpose of this Disclosure Agreement**. This Disclosure Agreement is being executed and delivered by the County pursuant to the Trust Agreement for the benefit of the Owners (as hereinafter defined) and Beneficial Owners (as hereinafter defined) of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the Rule (as hereinafter defined).

SECTION 2. **Definitions.** The definitions set forth in the Trust Agreement shall apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Disclosure Report" shall mean any Disclosure Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean U.S. Bank National Association or any other person authorized to act on his behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA System" shall mean the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

"Fiscal Year" shall mean the one-year period ending on June 30 of each year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

"Official Statement" shall mean the Official Statement issued by the County in connection with the sale of the Bonds.

"Owner" or "Bondowner" shall mean any person who shall be the registered owner of any one or more of the Bonds.

"Participating Underwriter" shall mean any of the underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as the same may be amended from time to time.

SECTION 3. **Provision of Disclosure Reports**.

(a) The County shall, or shall cause the Dissemination Agent to, not later than March 30 of each year, commencing on March 30, 2022, with the report for the fiscal year ending June 30, 2021, provide to the MSRB through its EMMA System a Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If the Dissemination Agent is other than the County or the U.S. Bank National Association, not later than fifteen (15) days prior to said date, the County shall provide the Disclosure Report to the Dissemination Agent (if other than the County). The Disclosure Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the County may be submitted separately from the balance of the Disclosure Report and later than the date required above for the filing of the Disclosure Report if they are not available by that date. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to the date set forth in paragraph (a) above for providing the Disclosure Report to the MSRB, the County shall provide the Disclosure Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the County's Disclosure Report, the Dissemination Agent shall contact the County to determine if the County is in compliance with the first sentence of this subsection.

(c) If the Dissemination Agent is unable to verify that a Disclosure Report has been provided to the MSRB through its EMMA System by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(d) If the Dissemination Agent is other than the County, the Dissemination Agent shall file a report with the County certifying that the Disclosure Report has been provided to the MSRB through the EMMA System pursuant to this Disclosure Agreement.

SECTION 4. **Content of Disclosure Reports**. The County's Disclosure Report shall contain or include by reference the following:

1. The audited financial statements of the County for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

2. To the extent not included in the audited financial statements of the County, the Annual Report shall also include tabular or numerical information for the prior Fiscal Year of the types contained in the Official Statement under the following captions and/or sub-captions:

a. Table 4, Adopted County Budget – General Fund;

b. Table 14, Summary of Tax Levies and Collections – Secured Property Tax Roll;

c. Table 17, Secured Roll Assessed Valuation; and

d. Table 20, Ten Largest Taxpayers – Entire Roll.

3. A description of any occurrence which would adversely impact the County's beneficial use of the Facilities and any other occurrence which may provide the County with the opportunity to abate in whole or in part any Base Rental Payments.

The County has not undertaken in this Disclosure Agreement to provide all information an investor may want to have in making decisions to hold, sell or buy the Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through its EMMA System. The County shall clearly identify each such other document so included by reference.

SECTION 5. **Reporting of Significant Events**.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given notice of the occurrence of any of the following events (a "Listed Event") with respect to the Bonds:

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 their 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 Bonds, or other material events affecting the tax status of the Bonds;

7. modifications to rights of Bond owners, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the County. For purposes of this event the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County 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 the County or the sale of all or substantially all of the assets of the County (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; and

14. appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in Subsection 2, 7, 8 (but only with respect to bond calls), 10, 13 and 14 of Section 5(a), only in the event the County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall file or shall cause to be filed a notice of such occurrence with the MSRB through its EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) If the Dissemination Agent is other than the County, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the County and request that the County promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (a) and (b) and promptly direct the Dissemination Agent whether or not to report such event to the Bondowners. In the absence of such direction, the Dissemination Agent shall not report such event. The Dissemination Agent may conclusively rely upon such direction (or lack thereof). For purposes of this Disclosure Agreement, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events.

SECTION 6. **CUSIP Numbers**. Whenever providing information, including but not limited to Disclosure Reports, documents incorporated by reference in the Disclosure Reports, audited financial statements and notices of Listed Events, the County shall indicate the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 7. **Termination of Reporting Obligation**. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(b) hereof.

SECTION 8. **Dissemination Agent**. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement.

The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County apart from the relationship created by this Disclosure Agreement shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the County. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information disseminated hereunder. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the County for a response.

SECTION 9. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b), 9(a), 9(b) (excluding the requirement that the related determination be set forth in an opinion of nationally recognized bond counsel) or 9(c) (excluding the requirement that the related determination be set forth in an opinion of nationally recognized bond counsel), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondowners in the same manner as provided in the Trust Agreement, as applicable, for amendments to the Trust Agreement, respectively, with the consent of Bondowners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondowners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment in the next Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. **Additional Information**. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Disclosure Report or notice of occurrence of a Listed Event.

SECTION 11. **Default**. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Participating Underwriter, Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. **Duties, Immunities and Liabilities of Dissemination Agent**. A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. **Prior Undertakings**. The County hereby certifies that it is in compliance in all material respects with all prior undertakings made by it pursuant to the Rule.

SECTION 14. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, if any, the Participating Underwriters and Bondowners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. **Notices**. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the County:	County of San Mateo County Government Center 400 County Center, 1st Floor Redwood City, California 94063 Attention: County Manager
To the Dissemination Agent:	US Bank Global Corporate Trust 60 Livingston Ave, EP-MN-WS3C St. Paul, Minnesota 55107 Attention: Dan Sheff, Vice President

The County or the Dissemination Agent may, by written notice to the other parties acting hereunder, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. **Governing Law**. The laws of the State of California shall govern this Disclosure Agreement, the interpretation thereof and any right or liability arising hereunder, without regard to principles of conflict of law.

SECTION 17. **Counterparts**. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

IN WITNESS WHEREOF, this Disclosure Agreement is given this _____ day of _______, 2021 by the County.

COUNTY OF SAN MATEO

By:____

County Manager

U.S. BANK NATIONAL ASSOCIATION

By:____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Mateo County Joint Powers Financing Authority

Issue: $__________ San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-1 and $__________ San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2021 Series A-2 (Federally Taxable)

Date of Issuance: __________, 2021

NOTICE IS HEREBY GIVEN that the County of San Mateo (the "County") has not provided a Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement relating to the Bonds. The County anticipates that the Disclosure Report will be filed by _______.

Dated: _______________, 20__

COUNTY OF SAN MATEO

By: [form only; no signature required]

RESOLUTION NO. ____

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY OF NOT TO EXCEED $[NTE AMOUNT] AGGREGATE PRINCIPAL AMOUNT OF REFUNDING LEASE REVENUE BONDS, TO REFUND ALL OR A PORTION OF THE OUTSTANDING SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY LEASE REVENUE BONDS (REFUNDING AND CAPITAL PROJECTS), 2013 SERIES A (ROBERT SANS MEMORIAL ISSUE), TO PAY COSTS OF ISSUANCE OF THE BONDS, AND TO PAY CAPITALIZED INTEREST ON THE BONDS; APPROVING THE FORMS OF AND AUTHORIZING EXECUTION AND DELIVERY OF A TENTH SUPPLEMENTAL TRUST AGREEMENT, A SEVENTH AMENDMENT TO MASTER FACILITY LEASE, A SEVENTH AMENDMENT TO MASTER SITE LEASE, AN ESCROW AGREEMENT, A BOND PURCHASE CONTRACT, AND AN OFFICIAL STATEMENT; AND AUTHORIZING THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS.

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 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the San Mateo County Joint Powers Financing Authority (the “Authority”);

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

WHEREAS, the Authority 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 from time to time, the “Master Site Lease”), for the lease of the Project and other County property, and is presently leasing the same back to the County 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 from time to time, the “Master Facility Lease”);

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"); 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, together with the 2001 Series A Bonds, the "2001 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A, in the aggregate principal amount of $115,505,000 (the "2009 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue), in the aggregate principal amount of $40,065,000 (the "2013 Bonds"); the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2018 Series A, in the aggregate principal amount of $217,640,000 (the "2018 Bonds"); and the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Forward Refunding), 2019 Series A, in the aggregate principal amount of $45,170,000 (the "2019 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, only portions of the 2013 Bonds, the 2018 Bonds and the 2019 Bonds are currently outstanding;

WHEREAS, Section 6586.5 of the JPA Law requires that a member of the Authority within whose boundaries the project financed by the 2013 Bonds is located conduct a public hearing on the financing and following such hearing make a finding of significant public benefit as to the financing;

WHEREAS, the County, as a member of the Authority within whose boundaries the project originally financed by the 2013 Bonds is located, held a public hearing on such financing following publication of notice of the public hearing at least five days prior to the County's approval thereof in a newspaper of general circulation in the County;

WHEREAS, the Authority desires to authorize the sale and issuance of not to exceed $[NTE Amount] in aggregate principal amount of its San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (the "Bonds"), pursuant to the Trust Agreement, as supplemented by a Tenth Supplemental Trust Agreement, by and between the Authority and the Trustee (the "Tenth Supplemental Trust Agreement"), for the purpose of refunding and defeasance of all or a portion of the 2013 Bonds (the "Prior Bonds") and payment of the costs of issuance of the Bonds;

WHEREAS, the moneys to redeem the Prior Bonds will be applied to such purpose pursuant to an Escrow Agreement by and between the Authority and the trustee for such Prior Bonds, as trustee and as escrow agent (such Escrow Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as an "Escrow Agreement");

WHEREAS, the Master Facility Lease and the Master Site Lease will need to be amended [to release the [released property] from the properties leased to the Authority and leased back by the County], such action to be taken pursuant to a Seventh Amendment to Master Site Lease and Seventh Amendment to Master Facility Lease, the forms of which are both on file with the Secretary of this Governing Board of the Authority (the "Board");

WHEREAS, Section 5852.1 of the Government Code of the State of California requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds;

WHEREAS, in compliance with said section, this Board has obtained from the Senior Manager the required good faith estimates for the Bonds in connection with this agenda item, attached hereto as Exhibit A;

WHEREAS, California Financial Services Inc. is serving as municipal advisor (the "Municipal Advisor"), Orrick, Herrington & Sutcliffe LLP is serving as bond counsel ("Bond Counsel"), and Norton Rose Fulbright US LLP is serving as disclosure counsel ("Disclosure Counsel") to the County and the Authority in connection with the financing;

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

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

WHEREAS, this Board has been presented with the form of each document referred to herein relating to the Bonds, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

WHEREAS, the Authority has full legal right, power and authority under the laws of the State of California to enter into the transactions hereinafter authorized;

NOW THEREFORE, BE IT RESOLVED by the Governing Board of the San Mateo County Joint Powers Financing Authority, as follows:

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

Section 2. The Board hereby authorizes the issuance of the Bonds, in one or more series and to carry such designations as the officer executing the same determines is appropriate, in an aggregate principal amount not to exceed $[NTE Amount]. The proceeds of the Bonds shall be used to refund all or a portion of the Prior Bonds and to pay the costs of issuance of the Bonds.

Section 3. The officers of the Authority may, if it is determined to be necessary or desirable, obtain bond insurance for all or a portion of the Bonds and/or a surety bond or bonds with respect to all or a portion of any reserve requirement with respect to the Bonds and/or any and all outstanding bonds issued pursuant to the Trust Agreement.

Section 4. The proposed form of Tenth Supplemental Trust Agreement, on file with the Secretary of the Authority, is hereby approved. The President, Vice President, Secretary, Auditor-Treasurer and Assistant Secretary of the Authority (the "Authorized Officers") are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver to the Trustee the Tenth Supplemental Trust Agreement in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates, interest rate or rates, interest payment dates, denominations, forms, series designations, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Tenth Supplemental Trust Agreement, as finally executed.

Section 5. [The proposed form of Seventh Amendment to Master Site Lease, on file with the Secretary of the Authority, is hereby approved. The Board hereby authorizes and approves the release of the [released property] property from the lease in recognition that no rental payments are scheduled to be received with respect to such property under the Master Facility Lease.] The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the Seventh Amendment to Master Site Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The maximum term of the property leased under the Master Site Lease, as amended by the Seventh Amendment to Master Site Lease, shall not exceed [__] years from the date of execution of the Seventh Amendment to Master Site Lease, inclusive of any extension of the term of the lease as provided in the Master Site Lease.

Section 6. The proposed form of Seventh Amendment to Master Facility Lease, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the Seventh Amendment to Master Facility Lease in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The maximum annual additional amount of base rental payable under the Master Facility Lease, as amended by the Seventh Amendment to Master Facility Lease, shall not exceed $[Max. Bonds Annual Base Rental] and the term of the Facility Lease, as amended, shall not go beyond the end of calendar year 2052 (except that the Facility Lease may provide for an extension of up to an additional 6 years to address an abatement event).

Section 7. The proposed form of Escrow Agreement, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as such executing officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof and to provide for the investment of funds thereunder.

Section 8. The proposed form of Bond Purchase Contract (the "Bond Purchase Contract") among the Authority, the County and the Senior Manager, as representative of the underwriters (the "Underwriters"), on file with the Secretary of the Authority, is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, 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 [____] percent ([_._]%) per annum, the term of the Bonds shall not exceed [_______] ([__]) years from the date of issuance, the underwriting discount (excluding any original issue discount) shall not exceed [_____] a percent ([_._]%) of the principal amount of Bonds sold, and provided further that the refunding of the Prior Bonds shall result in net present value savings of at least [_____] percent ([_._]%) of the principal amount of the refunded bonds, and that no maturity of the Prior Bonds shall be refunded if the refunding of such maturity will not produce savings in that year, and the term of the Bonds will not extend beyond the term of the Prior Bonds being refunded.

The Authority may also sell the Bonds directly to a purchaser (a "Direct Purchaser") pursuant to the form of Bond Purchase Contract (Direct Purchase Forward Delivery) (the "Direct Purchase Contract") on file with the Secretary of the Authority, and which is hereby approved. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to accept the offer of the Direct Purchaser to purchase the Bonds as reflected in the Direct Purchase Contract; and to execute and deliver the Direct 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 Direct Purchase Contract; provided that the Bonds shall be issued in conformity with the parameters set forth in the preceding paragraph.

Section 9. The proposed form of Official Statement relating to the Bonds (the "Official Statement"), on file with the Secretary of the Authority, is hereby approved. The Underwriters are hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. The Authorized Officers are each hereby authorized and directed, acting singly, for and in the name and on behalf of the Authority, to execute and deliver an 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. Distribution by the Underwriters of a Preliminary Official Statement relating to the Bonds is hereby approved and the Authorized Officers are each hereby authorized and directed, acting singly, to execute a certificate confirming that the Preliminary Official Statement has been "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 10. The Bonds in an aggregate principal amount not to exceed $[NTE Amount] shall be executed by the manual or facsimile signature of the President of the Authority or any Vice President and shall be countersigned by the manual or facsimile signature of the Secretary of the Authority or the Assistant Secretary in the form set forth and otherwise in accordance with the Trust Agreement and the Tenth Supplemental Trust Agreement.

Section 11. The Authorized Officers are each hereby authorized on behalf of the Authority to enter into, amend, terminate, or instruct the Trustee to enter into, amend or terminate one or more investment agreements (hereinafter collectively referred to as the "Investment Agreements") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as such officer of the Authority shall deem appropriate. Pursuant to Section 5922 of the Government Code of the State of California, the Board hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments.

Section 12. The Authorized Officers are each hereby now and in the future authorized and directed, individually, to execute and deliver, on behalf of the Authority any amendments to the Master Site Lease or the Master Facility Lease to the extent which they deem necessary or advisable or beneficial to the Authority and the County to effectuate the financing authorized hereby, including, but not limited to the release, purchase, or substitution of real property as contemplated by and subject to the Master Facility Lease, the Master Site Lease and the Trust Agreement, and to release cash from the debt service reserve fund, and to proceed without a debt service reserve in connection with the issuance of the Bonds and any Additional Bonds to be issued in the future, as contemplated by the documents.

Section 13. The officers and directors of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all documents and certificates, engage counsel, consultants, escrow agents or other parties which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds, purchase open market securities or authorize the purchase of U.S. State and Local Government securities in connection with the refunding of the Prior Bonds, and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby. The documents authorized herein may be dated such date, and different series designations given to the Bonds, as may be appropriate to indicate when the Bonds are actually sold or delivered or the nature of the Bonds.

Section 14. Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of this Board is hereby authorized and directed to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Section 8855 of the Government Code, and to specify that the issuance of the Bonds will be made in compliance with the County's adopted debt policy.

Section 15. The officers and directors of the Authority, and the County Manager, Assistant County Manager, Deputy County Manager, County Budget Director, and any designee of any such officer of the County are hereby authorized and directed, individually or jointly, to execute and deliver, on behalf of the Authority, any Certificate of the Authority or Written Request of the Authority required to be delivered pursuant to the Trust Agreement, the Tenth Supplemental Trust Agreement, the Master Facility Lease, the Master Site Lease or the Bond Purchase Contract or otherwise as may be necessary or desirable in connection with the financing or refunding and defeasance of the Prior Bonds, including the execution of any escrow instructions, purchase instructions for escrow securities, a letter engaging a duly licensed firm to provide a verification report, or any investment requirement or direction of investment with respect to Bond funds, which investment may consist of investments or investment agreements that have a term of up to the term of the Bonds.

Section 16. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this 26th day of May, 2021.

____
President

ATTEST:

By______________________________
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (the "Bonds") in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the San Mateo Joint Powers Financing Authority (the "Authority") by Citigroup Global Markets, Inc., serving as Senior Managing Underwriter (the "Senior Manager") for the Bonds.

Principal Amount. The Senior Manager has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $[Par Amount] (the "Estimated Principal Amount").

True Interest Cost of the Bonds. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is [_._]%.

Finance Charge of the Bonds. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $[Finance Charge].

Amount of Proceeds to be Received. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $[Proceeds Received].

Total Payment Amount. Assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, the good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $[Total Payment].

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority. The Bonds shall have a maximum true interest cost of [_._]%.

SECRETARY'S CERTIFICATE

I, _________________, Secretary of the Governing Board of the San Mateo County Joint Powers Financing Authority, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of said Authority duly and regularly and legally held at the regular meeting place thereof, or held remotely pursuant to Executive Order N-29-20 of the Governor, and in order to adhere as closely as possible to the orders of the health officials on behalf of the County, with remote access available to the public, on May 26, 2021, of which meeting all of the members of the Governing Board of said Authority 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, and was posted on the County's website, on behalf of the Authority, at least 72 hours before said meeting in accordance with Executive Order N-29-20, signed by the Governor of the State of California on March 17, 2020, 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.

WITNESS my hand this ____ day of ________________, 2021.

____

Secretary of the Governing Board
of the San Mateo County Joint Powers
Financing Authority

[Seal]

4132-0482-3340.3

Recording requested by
and return to:

SAN MATEO COUNTY JOINT
POWERS FINANCING AUTHORITY
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attn: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to
Government Code Section 6103

SEVENTH AMENDMENT TO MASTER SITE LEASE

between the

COUNTY OF SAN MATEO

and the

SAN MATEO COUNTY JOINT
POWERS FINANCING AUTHORITY

Dated as of June 1, 2021

(Amending the Master Site Lease (San Mateo County
Health Center) dated as of April 15, 1994)

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SEVENTH AMENDMENT TO MASTER SITE LEASE

This Seventh Amendment to Master Site Lease, dated as of June 1, 2021 between the COUNTY OF SAN MATEO, a political subdivision organized and existing under and by virtue of the laws of the State of California (the "County"), as lessor, and the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY (the "Authority"), as lessee, a joint exercise of power authority, duly organized and existing pursuant to an Agreement, dated May 15, 1993, entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo";

W I T N E S S E T H

WHEREAS, this Seventh Amendment to Master Site Lease is entered into in order to amend in certain respects a lease between the County and the Authority entitled "Master Site Lease (San Mateo County Health Center)," dated as of April 15, 1994 and recorded on May 18, 1994, in the office of the County Recorder of the County, under Recorder's Serial No. 94089151, as amended by the First Amendment to Master Site Lease, dated as of April 1, 1995 and recorded on April 4, 1995 in the office of the County Recorder of the County under Recorder's Serial No. 95-033034, the Second Amendment to Master Site Lease, dated as of December 1, 1997 and recorded on January 14, 1998 in the office of the County Recorder of the County under Recorder's Serial No. 98-005126, the Third Amendment to Master Site Lease, dated as of January 1, 1999 and recorded on February 11, 1999 in the office of the County Recorder of the County under Recorder's Serial No. 99-024505, the Fourth Amendment to Master Site Lease, dated as of September 1, 2001 and recorded on September 18, 2001 in the office of the County Recorder of the County under Recorder's Serial No. 2001-146479, the Fifth Amendment to Master Site Lease, dated as of July 1, 2013 and recorded on August 6, 2013 in the office of the County Recorder of the County under Recorder's Serial No. 2013-113882, the Sixth Amendment to Master Site Lease, dated as of November 1, 2018 and recorded on November 14, 2018 in the office of the County Recorder of the County under Recorder's Serial No. 2018-088712, and that Partial Release of Property, dated as of November 1, 2003 and recorded on November 17, 2003 under Recorder's Serial No. 2003-325822 (collectively, as amended from time to time, the "Master Site Lease") [and to release from the property leased pursuant to the Master Site Lease, certain property consisting of Project Phase [__], generally described as the [released property name]] (capitalized terms used herein and not otherwise defined herein have the meanings assigned thereto by the Master Site Lease);

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. This Seventh Amendment to Master Site Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, and such date of commencement shall be hereinafter referred to as the "effective date."

Section 2. [Reserved].

Section 3. Section 2 of the Master Site Lease is hereby amended as follows:

"(a) Term. The term of this Lease commenced on May 18, 1994, and shall end on the respective dates specified in

Exhibit C hereto for the respective Project Phases or the designated portion thereof, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date, the Base Rental Payments and all other amounts then due under the Facility Lease with respect to the Project Phases related thereto, shall not be fully paid, or if the rental payable thereunder shall have been abated at any time and for any reason, then the term of this Lease with respect to such Project Phases shall be extended ten (10) days after the Base Rental Payments attributable to the respective Project Phases and all other amounts then due under the Facility Lease with respect to such Project Phases, shall be fully paid, except that the term of this Lease with respect to the related Project Phases shall in no event be extended beyond the maximum extension date for such Project Phases identified in Exhibit C hereto. If prior to such date, the Base Rental Payments or all the Bonds payable therefrom and all other amounts then due under the Facility Lease, shall be fully paid, or provision therefor made, the term of this Lease shall end ten (10) days thereafter or upon written notice by the County to the Authority, whichever is earlier."

<u>Section 4.</u> On the effective date hereof, the portion of the Demised Premises known as Project Phase [__] ("[Released Demised Premises]") (as further described in Exhibit B hereto) shall be released from this Master Site Lease in accordance with the provisions of the Master Facility Lease. Following such release, the Demised Premises under the Master Site Lease will consist of the following Phases of the Project:

(i) [Project Phase I to IV, San Mateo County Health Center;

(ii) Project Phase VIII, County Office Building;

(iii) Project Phase X, Crime Lab;

(iv) Project Phase XII, Medical Center Administration Building; and

(v) Project Phase XIII, Regional Operations Center.]

<u>Section 5.</u> The 2021 Bond Insurer is a third-party beneficiary to the Site Lease.

<u>Section 6.</u> Except as in this Seventh Amendment to Master Site Lease expressly provided, the Master Site Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as previously amended and as amended hereby.

<u>Section 7.</u> If one or more of the terms, provisions, covenants or conditions of this Seventh Amendment to Master Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Sixth Amendment to Master Site Lease shall be affected thereby,

and each provision of this Seventh Amendment to Master Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 8. This Seventh Amendment to Master Site Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the County and the Authority have caused this Seventh Amendment to Master Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

COUNTY OF SAN MATEO,
Lessor

By____________________________________
Name: Roberto Manchia
Title: Budget Director

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY,
Lessee

By____________________________________
Name: Paul T. Scannell
Title: President

EXHIBIT A

[Reserved]

EXHIBIT B

Release from Demised Premises

Project Phase [___]
([List Site])

[To come]

[EXHIBIT C]

Lease Terms of Project Phases

Project Phase	Term	Maximum Extension
Project Phase I to IV	July 25, 2052	July 25, 2058
Project Phase VIII	July 25, 2028	July 25, 2058
Project Phase X	July 25, 2028	July 25, 2058
Project Phase XII	July 25, 2052	July 25, 2058
Project Phase XIII	July 25, 2028	July 25, 2058

CONSENT OF TRUSTEE

The undersigned, as trustee under the Trust Agreement dated as of April 15, 1994, as amended, between the San Mateo County Joint Powers Financing Authority (the "Authority") and the trustee hereby acknowledges and consents to the execution and delivery of the Seventh Amendment to Master Site Lease dated as of June 1, 2021, between the County of San Mateo (the "County") and the Authority, relating to the Master Site Lease (San Mateo Health Center), dated as of April 15, 1994, between the County and the Authority.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By____________________________________
Authorized Officer

Recording requested by
and return to:

COUNTY OF SAN MATEO
c/o Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, California 94105
Attention: Lauren Herrera, Esq.

Exempt from Recording Fee Pursuant to
Government Code Section 6103

SEVENTH AMENDMENT TO MASTER FACILITY LEASE

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and the

COUNTY OF SAN MATEO

Dated as of June 1, 2021

(Amending the Master Facility Lease (San Mateo County
Health Center) dated as of April 15, 1994)

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SEVENTH AMENDMENT TO MASTER FACILITY LEASE

This Seventh Amendment to Master Facility Lease, dated as of June 1, 2021, between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo," (herein called the "Authority"), as lessor, and the COUNTY OF SAN MATEO, a political subdivision organized and validly existing under the Constitution and laws of the State of California (herein called the "County"), as lessee;

W I T N E S S E T H:

WHEREAS, the County has leased certain real property and the improvements thereon to the Authority by a lease, entitled "Master Site Lease (San Mateo County Health Center)" and dated as of April 15, 1994 and recorded on May 18, 1994 in the office of the County Recorder of the County, under Recorder's Serial No. 94089151, as amended by a First Amendment to Master Site Lease, dated as of April 1, 1995 and recorded on April 4, 1995 in the office of the County Recorder of the County under Recorder's Serial No. 95-033034, a Second Amendment to Master Site Lease, dated as of December 1, 1997 and recorded on January 14, 1998 in the office of the County Recorder of the County under Recorder's Serial No. 98-005126, a Third Amendment to Master Site Lease, dated as of January 1, 1999 and recorded on February 11, 1999 in the office of the County Recorder of the County under Recorder's Serial No. 99-024505, a Fourth Amendment to Master Site Lease, dated as of September 1, 2001 and recorded on September 18, 2001 in the office of the County Recorder of the County under Recorder's Serial No. 2001-146479, a Fifth Amendment to Master Site Lease, dated as of July 1, 2013 and recorded on August 6, 2013 in the office of the County Recorder of the County under Recorder's Serial No. 2013-113882, a Sixth Amendment to Master Site Lease, dated as of November 1, 2018 and recorded on November 15, 2018 in the office of the County Recorder of the County under Recorder's Serial No. 2018-088712, and a Seventh Amendment to Master Site Lease, dated as of June 1, 2021; and

WHEREAS, this Seventh Amendment to Master Facility Lease is entered into to amend and supplement in certain respects a lease between the Authority and the County entitled "Master Facility Lease (San Mateo County Health Center)," dated as of April 15, 1994 and recorded on May 18, 1994 in the office of the County Recorder of the County, State of California, under Recorder's Serial No. 94089152, as amended by the First Amendment to Master Facility Lease, dated as of April 1, 1995 and recorded on April 4, 1995 in the office of the County Recorder of the County, under Recorder's Serial No. 95-033035, the Second Amendment to Master Facility Lease, dated as of December 1, 1997 and recorded on January 14, 1998 in the office of the County Recorder of the County, under Serial No. 98-005127, the Third Amendment to Master Facility Lease, dated as of January 1, 1999 and recorded on February 11, 1999 in the office of the County Recorder of the County under Serial No. 99-024506, the Fourth Amendment to Master Facility Lease, dated as of September 1, 2001 and recorded on September 18, 2001 in the office of the County Recorder of the County under Recorder's Serial No. 2001-146480, the Fifth Amendment to Master Facility Lease, dated as of July 1, 2013 and recorded on August 6, 2013 in the office of the County Recorder of the County under Recorder's Serial No. 2013-113883, the Sixth Amendment to Master Facility Lease, dated as of November 1, 2018 and recorded on November 15, 2018 in the office of the County Recorder of the County under Recorder's Serial No. 2018-

088900, and that Partial Release of Property, dated November 1, 2003 and recorded on November 17, 2003 under Recorder's Serial No. 2003-325822 (herein together with all supplements and amendments thereto, collectively called the "Facility Lease") [and to release from the property leased pursuant to the Master Facility Lease, certain property consisting of Project Phase [__], generally described as the [released property name]];

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE XVII

Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable)

Section 17.01 Effective Date. This Seventh Amendment to Master Facility Lease shall become effective on the date of recordation of this instrument in the office of the County Recorder of the County, State of California, or on July 1, 2021, whichever is earlier, and such date of commencement shall be hereinafter referred to as the "effective date" [and on the effective date the property described in Exhibit D hereto, consisting of Project Phase [__] shall be released from the Facility Lease and references to Demised Premises in the Facility Lease shall no longer include the real property description in Exhibit D].

Section 17.02 Additional Definitions. From and after the effective date of this instrument, the following new definitions shall be added to Section 1.01 of the Facility Lease, in alphabetical order, to read as follows:

> "Series 2021 Bonds
>
> The term "Series 2021 Bonds" means the bonds issued by the Authority under and pursuant to the Trust Agreement and the Tenth Supplemental Trust Agreement, the proceeds of which will be applied to the refinancing of a portion of the 2013 Series A Bonds of the Authority."
>
> "Seventh Amendment to Master Facility Lease
>
> The term "Seventh Amendment to Master Facility Lease" means that Seventh Amendment to Master Facility Lease between the Authority and the County, dated as of June 1, 2021."

Section 17.03 Amendment to Section 2.02. (a) From and after the effective date of this instrument, Section 2.02(a) of the Facility Lease is hereby amended to read as follows:

> "(a) Term. The term of this Lease commenced on May 18, 1994, and shall end on the respective dates specified in Exhibit C hereto for the respective Project Phases, unless such term is extended or sooner terminated as hereinafter provided. If on the termination date, the Base Rental Payments and all other amounts then due hereunder with respect to the Project Phases related thereto, shall not be fully paid, or if the rental payable hereunder shall have

been abated at any time and for any reason, then the term of this Lease with respect to such Project Phases shall be extended until the Base Rental Payments attributable to the respective Project Phases and all other amounts then due hereunder with respect to such Project Phases, shall be fully paid, except that the term of this Lease with respect to the related Project Phases shall in no event be extended beyond the maximum extension date for such Project Phases identified in Exhibit C hereto. If prior to such date, the Base Rental Payments or all the Bonds payable therefrom and all other amounts then due hereunder, shall be fully paid, or provision therefor made, the term of this Lease shall end ten (10) days thereafter or upon written notice by the Authority to the County, whichever is earlier."

Section 17.04 Amendment to Section 3.01. From and after the effective date of this instrument, Section 3.01 of the Facility Lease is hereby amended to read as follows:

"SECTION 3.01. Base Rental Payments. The County agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Project and the Demised Premises (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Lease) annual rental payments, all in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. Base Rental Payments shall be calculated on an annual basis, for the twelve (12) month periods commencing on July 15 and ending on July 14, except that the first Base Rental Payment Period shall commence on the date of recordation of this Lease or a memorandum thereof in the office of the County Recorder of the County and shall end on July 14, 1994. Base Rental Payments shall be made in two installments and each Base Rental Payment installment shall be payable on December 31 or June 30 immediately preceding its due date of the fifteenth day of January or July. Each annual payment of Base Rental shall be for the use of the Demised Premises and the Project following completion of construction of the Project or a Phase thereof for the twelve (12) month period commencing on July 15 of the period in which such installments are payable.

If the term of this Lease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be due on the fifteenth day of January and July in each year, and payable as hereinabove described, continuing to and including the date of termination of this Lease, in an amount equal to the amount of Base Rental payable for any twelve (12) month period. Upon such extension of this Lease, Base Rental Payments shall be established in an amount sufficient to pay all unpaid principal of and interest on the Bonds so extended.

The County agrees that all Base Rental Payments for Project Phases I, II, III, IV and XII shall be paid by the County first from amounts on deposit in the Supplemental Reimbursement Account established pursuant to Section 3.07 and then from other lawfully available funds of the County.

[In connection with the issuance of the Series 2021 Bonds, the County will benefit from a reduction in Base Rental Payments associated with the refinancing from the proceeds of the Series 2021 Bonds and in order to assist such refinancing the County agrees to pay, on the date of issuance of the Series 2021 Bonds, $[County Escrow Deposit], or such lesser amount needed to fund the escrow for the 2013 Series A Bonds being refunded, from the amount of Base Rental Payments otherwise payable on [June 30, 2021] such amount relating to Base Rental allocated to the payment of interest on the 2013 Series A Bonds being refinanced."]

Section 17.05 Use of Proceeds of the Series 2021 Bonds. The parties hereto agree that the proceeds of the Series 2021 Bonds will be used by the Authority to refund a portion of the 2013 Series A Bonds of the Authority and to pay costs of issuance related thereto. Proceeds of the Series 2021 Bonds may also be used to fund a deposit to the Reserve Fund, if required, and to pay costs related thereto as specified in the Tenth Supplemental Trust Agreement.

Section 17.06 Base Rental Payments; Prepayment. From and after the effective date of this instrument, Exhibit B attached to the Facility Lease, the Base Rental Payments, shall be amended and restated as set forth in Exhibit B attached hereto. The Base Rental Payments set forth in Exhibit B payable by the County hereunder in each Fiscal Year are at least equal to Debt Service, including Debt Service on the Series 2021 Bonds, in each Fiscal Year. The Authority may redeem all or a portion of the Bonds, resulting in a corresponding reduction or elimination of the County's Base Rental payment obligations, at the times and in the manner contemplated by the Trust Agreement. Upon defeasance of the portion of the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue), from the proceeds of the Series 2021 Bonds, Base Rental Payments of the Bonds will be reduced and shall be payable in the amounts set forth in Exhibit B hereto.

Section 17.07 Release of [Released Property]. On the effective date, the portion of the Demised Premises known as Project Phase [__] or [Released Property Name] (as further described in Exhibit D hereto), shall be released pursuant to the provisions set forth in the Master Facility Lease as no portion of the Base Rental Payments are currently allocated to the [Released Property Name], and the fair rental value of the Project and the Demised Premises after such release will at least equal the maximum Base Rental needed to pay debt service on the outstanding Bonds (prior to the issuance of the Series 2021 Bonds), thereby a release of such portion of the Demised Premises and Project is appropriate and the [Release Property] shall vest in the County free of the Facility Lease and the Site Lease.

Section 17.08 Title Insurance. The County shall obtain upon the execution and delivery of this Seventh Amendment to Master Facility Lease policies of title insurance or supplements to existing policies on the Demised Premises issued by a company of recognized standing duly authorized to issue the same, subject only to Permitted Encumbrances. Proceeds of such insurance shall be delivered to the Trustee as a prepayment of rent pursuant to Section 7.02 of the Facility Lease and shall be applied by the Trustee to the redemption of Bonds pursuant to Section 4.01 and Section 68.01 of the Trust Agreement.

Section 17.09 Continuing Disclosure. The County hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Lease, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least 25% aggregate principal amount of Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the County to comply with its obligations under this Section 17.09.

Section 17.10 Trust Agreement. The parties hereto acknowledge that the County is a third-party beneficiary to the Trust Agreement, and the Authority hereby agrees that during the term of the Facility Lease and provided the County is not in default hereunder, it will not amend the Trust Agreement in any manner materially adverse to the interests of the County without the Consent of the County.

Section 17.11 Facility Lease in Full Force and Effect. Except as in this Seventh Amendment to Master Facility Lease expressly provided, the Facility Lease shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby.

Section 17.12 Execution in Counterparts. This Seventh Amendment to Master Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Seventh Amendment to Master Facility Lease. It is also agreed that separate counterparts of this Seventh Amendment to Master Facility Lease may separately be executed by the Authority and the County, all with the same force and effect as though the same counterpart had been executed by both the Authority and the County.

IN WITNESS WHEREOF, the Authority and the County have caused this Seventh Amendment to Master Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY,
as Lessor

By ________________________________
Paul T. Scannell
President

COUNTY OF SAN MATEO,
as Lessee

By ________________________________
Roberto Manchia
Budget Director

EXHIBIT A

[Reserved]

EXHIBIT B

Semi-Annual Base Rental Payment Schedule – Phases I through IV, VIII, X, XII and XIII

[To come]

[EXHIBIT C]

Lease Terms of Project Phases

Project Phase	Term	Maximum Extension
Project Phase I to IV	July 25, 2052	July 25, 2058
Project Phase VIII	July 25, 2028	July 25, 2058
Project Phase X	July 25, 2028	July 25, 2058
Project Phase XII	July 25, 2052	July 25, 2058
Project Phase XIII	July 25, 2028	July 25, 2058

EXHIBIT D

Released Property from Demised Premises

The following properties are released and discharged from the lease:

([Site] Legal Description)

[To come]

[INSERT NOTARY FORMS]

CONSENT OF TRUSTEE

The undersigned, as trustee under the Trust Agreement dated as of April 15, 1994, as amended, between the San Mateo County Joint Powers Financing Authority (the "Authority") and the trustee hereby acknowledges and consents to the execution and delivery of the Seventh Amendment to Master Facility Lease dated as of June 1, 2021, between the Authority and the County of San Mateo (the "County") relating to the Master Facility Lease (San Mateo County Health Center) dated as of April 15, 1994, between the Authority and the County.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By ___________________________________
Authorized Officer

4139-9728-5676.2

TENTH SUPPLEMENTAL TRUST AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION

and the

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

Dated as of June 1, 2021

RELATING TO
$[PAR AMOUNT] SAN MATEO COUNTY
JOINT POWERS FINANCING AUTHORITY
REFUNDING LEASE REVENUE BONDS,
2021 SERIES A (FEDERALLY TAXABLE)

(Supplementing the Trust Agreement
dated as of April 15, 1994)

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TENTH SUPPLEMENTAL TRUST AGREEMENT

This TENTH SUPPLEMENTAL TRUST AGREEMENT, dated as of June 1, 2021 (the "Tenth Supplemental Trust Agreement"), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (together with any successor thereto, the "Trustee"), and the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY (the "Authority"), a joint exercise of powers authority, duly organized and validly existing pursuant to an Agreement entitled "Joint Exercise of Powers Agreement by and between the County of San Mateo and Community Development Commission of the County of San Mateo"; being supplemental to the trust agreement, dated as of April 15, 1994, by and between Bank of America National Trust and Savings Association, as predecessor trustee and the Authority;

W I T N E S S E T H:

WHEREAS, the County of San Mateo (the "County") has leased certain real property and improvements thereon to the Authority pursuant to a Master Site Lease (San Mateo County Health Center), dated as of April 15, 1994 (herein, together with amendments from time to time thereto, called the "Site Lease");

WHEREAS, the Authority has acquired and constructed certain facilities, buildings and equipment and leased said facilities, buildings and equipment to the County pursuant to a Master Facility Lease (San Mateo County Health Center), dated as of April 15, 1994 (herein, together with amendments from time to time thereto, called the "Facility Lease");

WHEREAS, the Trustee and the Authority have heretofore executed the Trust Agreement, dated as of April 15, 1994, as supplemented, including as supplemented by this Tenth Supplemental Trust Agreement dated as of June 1, 2021 (herein, together with other supplements thereto, collectively called the "Trust Agreement");

WHEREAS, heretofore the Authority has issued pursuant to the Trust Agreement $124,355,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (San Mateo County Health Center), 1994 Series A (the "1994 Series A Bonds"); $19,225,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 1995 Series A (the "1995 Series A Bonds"); $63,205,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 1997 Series A (the "1997 Series A Bonds"); $113,140,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 1999 Refunding Series A (the "1999 Series A Bonds"); $24,370,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2001 Series A (the "2001 Series A Bonds"); $8,520,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2001 Series B (the "2001 Series B Bonds" and, together with the 2001 Series A Bonds, the "Series 2001 Bonds"); $115,505,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A (the "2009 Series A Bonds"); $40,065,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue) (the "2013 Series A Bonds"); and $217,640,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects), 2018 Series A (the "2018 Series A Bonds");

and $45,170,000 of its Lease Revenue Bonds (Forward Refunding), 2019 Series A (the "2019 Series A Bonds" and, together with the other bonds issued pursuant to the Trust Agreement, the "Bonds");

WHEREAS, under the Facility Lease, the County is obligated to make base rental payments to the Authority for the lease of the Project;

WHEREAS, all rights to receive such base rental payments have been pledged without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, the Authority may at any time, with the consent of the Bond Insurer, issue Additional Bonds payable from, and secured by a pledge of and lien upon, the Revenues, as provided in Section 3.03 (as amended by Section 17.01) of the Trust Agreement, provided that the proceeds of such Additional Bonds be applied to, among other things, the construction or acquisition of Subsequent Phases of the Project or the refunding of any Bonds then Outstanding or for any other purpose acceptable to the Bond Insurer;

WHEREAS, in order to provide for the refinancing of County facilities, the County has requested that the Authority refund all or a portion of the Outstanding 2013 Series A Bonds (as hereinafter defined, the "2013 Refunded Bonds");

WHEREAS, for the purpose of refunding the 2013 Refunded Bonds, the Authority has agreed to issue refunding bonds entitled "San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable)" (the "2021 Series A Bonds" or the "Series 2021 Bonds"), in the aggregate principal amount of $[Par Amount], to advance refund, on a federally taxable basis, the 2013 Refunded Bonds, pursuant to this Tenth Supplemental Trust Agreement;

WHEREAS, after such refunding, besides a portion of the 2013 Series A Bonds which may remain unrefunded and Outstanding, only the 2018 Series A Bonds, the 2019 Series A Bonds and the 2021 Series A Bonds issued hereunder will be Outstanding;

WHEREAS, after such refunding, the springing amendments set forth in Articles LVII and LXIII of the Trust Agreement shall be in effect, and pursuant thereto moneys shall be released from the Reserve Fund and the Reserve Fund Requirement with respect to each of the Series 2018 Bonds, the Series 2019 Bonds and the Series 2021 Bonds shall be reduced to $0;

WHEREAS, the 2021 Series A Bonds will be payable from Revenues on a parity basis with the outstanding 2013 Series A Bonds, 2018 Series A Bonds, 2021 Series A Bonds and any Additional Bonds hereafter issued by the Authority under the Trust Agreement;

WHEREAS, pursuant to an Escrow Agreement, dated as of June 1, 2021, by and between the Authority and U.S. Bank National Association as escrow agent (the "Escrow Agent"), certain proceeds of the 2021 Series A Bonds will be deposited into an escrow fund (the "Escrow Fund") and irrevocably pledged to repay the 2013 Refunded Bonds, thereby defeasing the 2013 Refunded Bonds; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute the Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Tenth Supplemental Trust Agreement have been in all respects duly authorized;

NOW, THEREFORE, THIS TENTH SUPPLEMENTAL TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under the Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE LXV

ADDITIONAL DEFINITIONS

SECTION 65.01 Additional Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Trust Agreement and of any amendment hereof or supplement hereto and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein and to the extent the definitions in this Section differ from the definitions of such terms contained in Section 1.01, Section 12.01, Section 19.01, Section 26.01, Section 34.01, Section 40.01, Section 45.01, Section 51.01 or Section 59.01 of the Trust Agreement, the definitions in this Section shall control and the definitions in Section 1.01, Section 12.01, Section 19.01, Section 26.01, Section 34.01, Section 40.01, Section 45.01, Section 51.01 or Section 59.01 shall be amended accordingly. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facility Lease.

Continuing Disclosure Agreement

The term "Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement among the Authority, the County and the Dissemination Agent dated as of December 1, 1997, as originally executed and as it may be amended from time to time in accordance with the terms thereof, and the Continuing Disclosure Agreement between the County and the Dissemination Agent, dated as of June 1, 2021, with respect to the 2021 Series A Bonds.

Dissemination Agent

The term "Dissemination Agent" shall mean, initially, U.S. Bank National Association, its successors and assigns, or any other successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

Escrow Agent

The term "Escrow Agent" means U.S. Bank National Association, or its successor thereto.

Escrow Agreement

The term "Escrow Agreement" means that certain Escrow Agreement, by and between the Escrow Agent and the Authority, dated as of June 1, 2021, providing for the defeasance and prepayment of the 2013 Refunded Bonds.

Escrow Fund

The term "Escrow Fund" means the fund of the same name defined in the Escrow Agreement.

Facility Lease

The term "Facility Lease" means that certain lease, entitled "Master Facility Lease (San Mateo County Health Center)," by and between the Authority and the County, dated as of April 15, 1994, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County on May 18, 1994 under Recorder's Serial No. 94089152, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof including the First Amendment to Master Facility Lease, the Second Amendment to Master Facility Lease, the Third Amendment to Master Facility Lease, the Fourth Amendment to Master Facility Lease, the Fifth Amendment to Master Facility Lease, the Sixth Amendment to Master Facility Lease and the Seventh Amendment to Master Facility Lease.

Series 2021 Bonds

The term "Series 2021 Bonds" or "2021 Series A Bonds" means the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable) issued by the Authority under and pursuant to the Trust Agreement and this Tenth Supplemental Trust Agreement, the proceeds of which will be applied to the refunding and defeasance of the 2013 Refunded Bonds and to the payment of costs related thereto.

Seventh Amendment to Master Facility Lease

The term "Seventh Amendment to Master Facility Lease" means that certain lease and instrument, entitled "Seventh Amendment to Master Facility Lease," by and between the Authority and the County, dated as of June 1, 2021, which instrument or a memorandum thereof was recorded in the office of the County Recorder of the County on [Closing Date] under

Recorder's Serial No. 2021-______, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Seventh Amendment to Master Site Lease

The term "Seventh Amendment to Master Site Lease" means that certain lease and instrument, entitled "Seventh Amendment to Master Site Lease," by and between the County and the Authority, dated as of June 1, 2021, which instrument or a memorandum thereof was recorded in the office of the County Recorder of the County on [Closing Date] under Recorder's Serial Number 2021-______, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Site Lease

The term "Site Lease" means that certain lease, entitled "Master Site Lease (San Mateo County Health Center)," by and between the County and the Authority, dated as of April 15, 1994, which lease or a memorandum thereof was recorded in the office of the County Recorder of the County on May 18, 1994 under Recorder's Serial Number 94089151, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof including the First Amendment to Master Site Lease, the Second Amendment to Master Site Lease, the Third Amendment to Master Site Lease, the Fourth Amendment to Master Site Lease, the Fifth Amendment to Master Site Lease, the Sixth Amendment to Master Site Lease and the Seventh Amendment to Master Site Lease.

Tenth Supplemental Trust Agreement

The term "Tenth Supplemental Trust Agreement" means this Tenth Supplemental Trust Agreement, dated as of June 1, 2021, by and between the Trustee and the Authority, executed and delivered in accordance with the Trust Agreement and which is supplemental to the Trust Agreement.

2013 Refunded Bonds

The term "2013 Refunded Bonds" means all or a portion of the San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue), as set forth in Exhibit B hereto.

2021 Costs of Issuance Fund

The term "2021 Costs of Issuance Fund" means the fund by that name established pursuant to Section 66.01 of this Tenth Supplemental Trust Agreement.

2021 Series A Bonds

The term "2021 Series A Bonds" or "Series 2021 Bonds" means the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable), issued by the Authority under and pursuant to the Trust Agreement and this

Tenth Supplemental Trust Agreement, the proceeds of which will be applied to the refunding and defeasance of the 2013 Refunded Bonds and to the payment of costs related thereto.

ARTICLE LXVI

TERMS AND CONDITIONS OF THE SERIES 2021 BONDS

SECTION 66.01 Authorization of Series 2021 Bonds. A Series of Bonds is hereby created and, notwithstanding Section 2.01(a), designated "San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable)." The aggregate principal amount of 2021 Series A Bonds which may be issued and Outstanding under the Trust Agreement shall not exceed [par amount written out] dollars ($[Par Amount]). The 2021 Series A Bonds shall be payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing the Outstanding Bonds. The 2021 Series A Bonds are issued in accordance with Section 3.03 and 3.04, as amended, including delivery of a Certificate of the County as required by Section 3.04(h).

The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2021 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2021 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2021 Bonds in the form and manner provided herein for the purpose of providing funds to refund and defease the 2013 Refunded Bonds, and that the Series 2021 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

SECTION 66.02 Terms of the 2021 Series A Bonds. The 2021 Series A Bonds shall be in the aggregate principal amount of $[Par Amount], consisting of all Current Interest Bonds. The 2021 Series A Bonds shall be Fixed Rate Bonds, and shall be dated the date of issuance thereof, shall be issued only in fully registered form in denominations of five thousand dollars ($5,000) or any integral multiple of five thousand dollars ($5,000) (not exceeding the principal amount of 2021 Series A Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and bear interest at the rates as set forth in the following schedule:

Maturity Date (July 15)	Principal Amount	Interest Rate
	$	%

SECTION 66.03 Payment of the 2021 Series A Bonds. The principal of the Series 2021 Bonds shall be payable by check in lawful money of the United States of America upon surrender thereof by the Bondholder at the Principal Corporate Trust Office of the Trustee.

The Series 2021 Bonds shall bear interest at the rates set forth above, payable on July 15, 2021, and semi-annually thereafter on January 15 and July 15 in each year until maturity or prior redemption thereof.

Each Series 2021 Bond shall bear interest payable to the registered owner thereof from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication is an Interest Payment Date or during the period from the first (1st) day of the month containing an Interest Payment Date to such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is on or before July 1, 2021, being the first Record Date for the Series 2021 Bonds, in which event they shall bear interest from its date; provided, however, that if at the time of authentication of any 2021 Series A Bond interest is then in default on the Outstanding Series 2021 Bonds, such Series 2021 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2021 Bonds.

Payment of interest on the Series 2021 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2021 Bonds registration books kept by the Trustee pursuant to Section 66.08 as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed by first-class mail on each Interest Payment Date to such registered owner at the address as it appears in such books; provided that upon the written request of a Bondholder of $1,000,000 or more in aggregate principal amount of Series 2021 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds to an account at a financial institution in the United States of America.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Bondholder in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Bondholders not less than ten (10) days prior to such Special Record Date.

SECTION 66.04 Form of Series 2021 Bonds. The Series 2021 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A hereto attached and by this reference herein incorporated.

SECTION 66.05 Execution of Series 2021 Bonds. The President or Vice President of the Authority is hereby authorized and directed to execute each of the Series 2021 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2021 Bonds on behalf of the Authority. The signatures of such President or Vice President and Secretary may be printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series 2021 Bonds shall cease to be such officer before the delivery of the Series 2021 Bonds to the purchasers thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series 2021 Bonds.

Only those Series 2021 Bonds bearing thereon a certificate of authentication in the form set forth in Exhibit A hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series 2021 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 66.06 Transfer and Payment of Series 2021 Bonds. Any Series 2021 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 66.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2021 Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2021 Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of authorized denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege. The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Series 2021 Bonds as the absolute owner of such Series 2021 Bonds for the purpose of receiving payment thereof and for all other purposes, whether such Series 2021 Bonds shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Series 2021 Bonds shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Series 2021 Bonds to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Series 2021 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2021 Bond selected for redemption in whole or in part as provided in Section 68.01(c) or during the period established by the Trustee for selection of Series 2021 Bonds for redemption.

SECTION 66.07 Exchange of Series 2021 Bonds. Series 2021 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Series 2021 Bonds of the same Series and maturity of other authorized denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Series 2021 Bond which has been selected for redemption in whole or in part from and after the day of mailing of a notice of redemption of such Series 2021 Bond selected for redemption in whole or in part as provided in Section 68.01(c) or during the period established by the Trustee for selection of Series 2021 Bonds for redemption.

SECTION 66.08 Series 2021 Bonds Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Series 2021 Bonds which shall during normal business hours be open to inspection by the Authority, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Series 2021 Bonds in such books as hereinabove provided.

SECTION 66.09 Mutilated, Destroyed, Stolen or Lost Series 2021 Bonds. If any Series 2021 Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Series 2021 Bond of like tenor and amount in exchange and substitution for the Series 2021 Bond so mutilated, but only upon surrender to the Trustee of the Series 2021 Bond so mutilated. Every mutilated Series 2021 Bond so surrendered to the Trustee shall be cancelled.

If any Series 2021 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Series 2021 Bond of like series and tenor in lieu of and in substitution for the Series 2021 Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Series 2021 Bond issued under this Section 66.09 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Series 2021 Bond issued under the provisions of this Section in lieu of any Series 2021 Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of the Trust Agreement with all other Bonds of the same Series secured by the Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Series 2021 Bond and any replacement Series 2021 Bond as being Outstanding for the purpose of determining the principal amount of Series 2021 Bonds which may be issued hereunder or for the purpose of determining any percentage of Series 2021 Bonds Outstanding hereunder, but both the original and replacement Series 2021 Bond shall be treated as one and the same.

SECTION 66.10 Temporary Series 2021 Bonds. The Series 2021 Bonds issued under the Trust Agreement may be initially issued in temporary form exchangeable for definitive Series 2021 Bonds when ready for delivery. The temporary Series 2021 Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of the Trust Agreement as may be appropriate. Every temporary Series 2021 Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Series 2021 Bonds it will execute and furnish definitive Series 2021 Bonds without delay and thereupon the temporary Series 2021 Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee and the Trustee shall deliver in exchange for such temporary Series 2021 Bonds an equal aggregate principal amount of definitive Series 2021 Bonds of authorized denominations. Until so exchanged, the temporary Series 2021 Bonds shall be entitled to the same benefits under the Trust Agreement as definitive Series 2021 Bonds delivered hereunder.

SECTION 66.11 Validity of Series 2021 Bonds. The recital contained in the Series 2021 Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Series 2021 Bonds shall be incontestable from and after their issuance. The Series 2021 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2021 Bonds (or any temporary Series 2021 Bonds exchangeable therefor) shall have been delivered to the purchasers thereof and the proceeds of sale thereof received.

SECTION 66.12 Special Covenants as to Book-Entry Only System for Series 2021 Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 66.12, all of the Series 2021 Bonds initially issued shall be issued as Book-Entry Bonds registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to DTC procedures. Payment of the interest on any Series 2021 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2021 Bonds to the account, in the manner and at the address indicated by DTC procedures.

(b) The Series 2021 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2021 Bonds, representing the aggregate principal amount of the Series 2021 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2021 Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 66.08 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to DTC procedures. Except as otherwise expressly provided herein, the Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2021 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2021 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 66.12, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2021 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2021 Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2021 Bonds, or (v) any consent given or other action taken by DTC as Bondholder of the Series 2021 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2021 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with DTC procedures, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the

Series 2021 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2021 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 66.12.

(c) In the event that the Authority determines that the Series 2021 Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Series 2021 Bonds will be transferable in accordance with subsection (f) of this Section 66.12. DTC may determine to discontinue providing its services with respect to the Series 2021 Bonds or a portion thereof at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2021 Bonds will be transferable in accordance with subsection (f) of this Section 66.12. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 66.12 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2021 Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2021 Bonds then Outstanding. In such event, the Series 2021 Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 66.12, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of the Trust Agreement to the contrary, so long as all Series 2021 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2021 Bond and all notices with respect to each such Series 2021 Bond shall be made and given, respectively, to DTC as provided in accordance with DTC procedures.

(e) The Trustee is hereby authorized and requested to execute and deliver the DTC Blanket Letter of Representations and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.

(f) In the event that any transfer or exchange of Series 2021 Bonds is authorized under subsection (b) or (c) of this Section 66.12, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2021 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 66.05 and 66.06. In the event Series 2021 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2021 Bonds, another securities depository as holder of all the Series 2021 Bonds, or the nominee of such successor securities depository, the provisions of Sections 66.05 and 66.06 shall also apply to, among other things, the registration, exchange and transfer of the Series 2021 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2021 Bonds.

SECTION 66.13 Continuing Disclosure. Pursuant to Section 17.09 of the Facility Lease, the County has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to such disclosure matters. If the Trustee is the Dissemination Agent, the Trustee hereby covenants and agrees that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the County or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Outstanding Bonds and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Continuing Disclosure Agreement or to cause the Trustee to comply with its obligations under this Section 66.13. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE LXVII

PROCEEDS OF SERIES 2021 BONDS

SECTION 67.01 Procedure for the Issuance of Series 2021 Bonds. At any time after the sale of the Series 2021 Bonds in accordance with the Act, the Authority shall execute the Series 2021 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2021 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Series 2021 Bonds from the purchaser thereof, the Trustee shall set aside and deposit the remaining proceeds received from such sale, in the following respective accounts or funds or with the following respective entities, in the following order of priority:

(a) The Trustee shall deposit $[COI Deposit] of the proceeds of the 2021 Series A Bonds in the 2021 Costs of Issuance Fund, which fund is hereby created and which fund the Authority hereby agrees to maintain with the Trustee until [Closing Date + 180 Days]. All money in the 2021 Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Series 2021 Bonds upon receipt of a Written Request of the County filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On [Closing Date + 180 Days], or upon the earlier Written Request of the County, any remaining balance in the 2021 Costs of Issuance Fund shall be transferred to the 2018 Acquisition and Construction Account.

(b) The Trustee shall transfer and deposit the remaining proceeds of the 2021 Series A Bonds in the amount of $[Escrow Deposit] into a separate fund designated the "2021 Escrow Fund," which is created pursuant to the Escrow Agreement for the refunding of the 2013 Refunded Bonds and apply such proceeds, together with the moneys released from the Reserve Fund, to the redemption of the 2013 Refunded Bonds on the date set for redemption in accordance with the directions of the County and the Authority.

(c) Following the issuance of the Series 2021 Bonds and the redemption of the 2013 Refunded Bonds, the springing amendments under Article LVII and LXIII of the Trust Agreement shall be in effect, and the Reserve Fund Requirement with respect to each of the Series 2018 Bonds, the Series 2019 Bonds, and the Series 2021 Bonds shall be $0. On the date of issuance of the Series 2021 Bonds, all cash amounts held in the Reserve Fund shall be transferred to the Escrow Fund and thereafter any excess cash, if any, pursuant to Section 5.03 of the Trust Agreement, shall be transferred to the Acquisition and Construction Fund established in connection with the 2018 Series A Bonds, pursuant to the Eighth Supplemental Trust Agreement.

ARTICLE LXVIII

REDEMPTION OF SERIES 2021 BONDS

SECTION 68.01 Terms of Redemption of Series 2021 Bonds.

(a) Extraordinary Redemption. The Series 2021 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the County pursuant to Section 7.02 of the Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

(b) Optional Redemption. [The Series 2021 Bonds are not subject to optional redemption prior to their respective stated maturities.]

(c) Selection of Bonds for Redemption. If less than all Outstanding Series 2021 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Series 2021 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Series 2021 Bonds so selected for redemption. For purposes of such selection, Series 2021 Bonds shall be deemed to be composed of $5,000 multiples and any such multiple may be separately redeemed. The Authority may designate, in the case of the redemption of term Bonds, the mandatory sinking account payments or portions thereof that are to be reduced as a result of such redemption.

(d) Notice of Redemption; Cancellation; Conditional Notice. Notice of redemption shall be mailed by first-class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the respective Bondholders of the Series 2021 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the redemption price, if any (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2021 Bonds of such maturity, to be redeemed and, in the case of Series 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series 2021 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2021 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

In the event of redemption of Series 2021 Bonds, the Trustee shall mail a notice of optional or extraordinary redemption, as applicable, other than any notice that refers to Series 2021 Bonds that are to be redeemed from proceeds of a refunding bond issue, only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Series 2021 Bonds to be redeemed.

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

The Trustee may give a conditional notice of redemption prior to the receipt of all funds or satisfaction of all conditions necessary to effect the redemption, provided that redemption shall not occur unless and until all conditions have been satisfied and the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, such redemption shall be cancelled by the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

(e) Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2021 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Series 2021 Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Series 2021 Bonds shall cease to accrue, and the Bondholders of such Series 2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Series 2021 Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

ARTICLE LXIX

AMENDMENTS TO TRUST AGREEMENT

SECTION 69.01 Terms of Amendments. The springing amendments in Articles LVII and LXIII of the Trust Agreement became effective upon the redemption and defeasance of the Outstanding 2009 Series A Bonds and the Outstanding 2013 Series A Bonds issued under this Trust Agreement.

SECTION 69.02 Amendment to Section 1.01. Section 1.01 of the Trust Agreement is hereby amended to replace the definition of "Reserve Account Requirement" in its entirety with the following:

> Reserve Account Requirement
>
> "Reserve Account Requirement" means with respect to any Additional Bonds the amount, if any, specified in the Supplemental Trust Agreement providing for the issuance of such Additional Bonds. The Reserve Account Requirement with respect to the 2018 Series A Bonds, the 2019 Series A Bonds and 2021 Series A Bonds is reduced to zero.

ARTICLE LXX

MISCELLANEOUS PROVISIONS

SECTION 70.01 Validity of Supplement. The County, the Authority and the Trustee hereby determine that this Supplemental Trust Agreement is executed and delivered in compliance with the provisions of Section 9.01 of the Trust Agreement. The Trustee is making such determination in reliance upon an Opinion of Counsel and the determination of the County and the Authority and the consent of the Bond Insurer.

SECTION 70.02 Terms of Series 2021 Bonds Subject to the Trust Agreement. Except as in this Tenth Supplemental Trust Agreement expressly provided, every term and condition contained in the Trust Agreement shall apply to this Tenth Supplemental Trust Agreement and to the Series 2021 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Tenth Supplemental Trust Agreement.

This Tenth Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 70.03 Effective Date of Tenth Supplemental Trust Agreement. This Tenth Supplemental Trust Agreement shall take effect upon its execution and delivery.

SECTION 70.04 Execution in Counterparts. This Tenth Supplemental Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Tenth Supplemental Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

By____________________________________
President

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By____________________________________
Authorized Officer

EXHIBIT A

No. R-____ $__________

[FORM OF SERIES 2021 BOND]

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY
REFUNIDNG LEASE REVENUE BOND,
2021 SERIES A (FEDERALLY TAXABLE)

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE COUNTY OF SAN MATEO IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY OF SAN MATEO OR ANY OF THE PUBLIC AGENCIES WHO ARE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

Interest Rate	Maturity Date	Original Issue Date	CUSIP
___%	July 15, 20__	[Delivery Date]	79904N___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ____ DOLLARS

The SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of an interest payment date or during the period from the first day of the month containing an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated prior to July 15, 2021, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on July 15, 2021, and semi-annually thereafter on each January 15 and July 15. Interest due on or before the maturity or prior redemption of this Bond shall be payable by check mailed on the payment date for such interest by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of $1,000,000 or more in aggregate principal amount of

Bonds received, prior to the applicable record date, by U.S. Bank National Association, as trustee or its successor under the hereinafter defined Trust Agreement (the "Trustee"), interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation hereof at the Corporate Trust Office (as such term is defined in the Trust Agreement) of the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable)" (the "2021 Series A Bonds") in aggregate principal amount of [Par Amount Written Out] Dollars ($[Par Amount]), all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of a trust agreement, dated as of April 15, 1994, as supplemented and amended, including by the Tenth Supplemental Trust Agreement, dated as of June 1, 2021 (collectively, the "Trust Agreement"), between the Authority and the Trustee (copies of which are on file at the corporate trust office of the Trustee). Pursuant to the Trust Agreement, the Authority issued $124,355,000 aggregate principal amount of its Lease Revenue Bonds (San Mateo County Health Center), 1994 Series A (the "1994 Series A Bonds"); $19,225,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 1995 Series A (the "1995 Series A Bonds"); $63,205,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 1997 Series A (the "1997 Series A Bonds"); $113,140,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 1999 Refunding Series A (the "1999 Series A Bonds"); $24,370,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 2001 Series A (the "2001 Series A Bonds"); $8,520,000 aggregate principal amount of its Lease Revenue Bonds (Capital Projects), 2001 Series B (the "2001 Series B Bonds" and, together with the 2001 Series A Bonds, the "Series 2001 Bonds"); $115,505,000 of its Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A (the "2009 Series A Bonds"); $40,065,000 of its Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue) (the "2013 Series A Bonds"); $217,640,000 of its Lease Revenue Bonds (Capital Projects), 2018 Series A (the "2018 Series A Bonds"); and $45,170,000 of its Lease Revenue Bonds (Forward Refunding), 2019 Series A (the "2019 Series A Bonds"). The 1994 Series A Bonds, the 1995 Series A Bonds, the 1997 Series A Bonds, the 1999 Series A Bonds, the 2001 Series A Bonds, the 2001 Series B Bonds, the 2009 Series A Bonds, the 2013 Series A Bonds, the 2018 Series A Bonds, the 2019 Series A Bonds, the 2021 Series A Bonds and all additional bonds issued on a parity therewith (collectively, the "Bonds") are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement.

The 2021 Series A Bonds are issued to provide funds to refund $[Refunded Par] of the Authority's outstanding 2013 Series A Bonds. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the Revenues (as defined in the Trust Agreement) derived from Base Rental Payments and other payments made by the County of San Mateo (the "County"), and all interest or other investment income thereon, pursuant to the Master Facility Lease, dated as of April 15, 1994, as amended (collectively, the "Facility Lease"), by and between the Authority and the County, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the County are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal of the Bonds is a debt, liability or general obligation of the Authority, the County or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional Bonds payable from the Revenues may be issued which will rank equally as to security with the 2021 Series A Bond, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations so that the aggregate annual principal amount of and interest on the Bonds which shall be payable after such redemption date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on the Bonds Outstanding prior to such redemption date, from prepayments of Base Rental Payments made by the County from the proceeds received by the County due to a taking of the Project or portions thereof under the power of eminent domain and from the net proceeds of title insurance or insurance received for material damage or destruction to the Project or portions thereof received by the Authority from the County, all as provided in and under the circumstances and terms prescribed in the Facility Lease and the Trust Agreement, at the principal amount thereof and interest accrued thereon to the date fixed for redemption, without premium.

[The Bonds are not subject to optional redemption prior to their respective stated maturities.]

Notice of redemption of this Bond shall be given by first-class mail not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner of any Bond selected for redemption, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this Bond shall cease to accrue and the registered owner of this Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default (as defined in the Trust Agreement) shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

This Bond is transferable only on a register to be kept for that purpose by the Trustee at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

IN WITNESS WHEREOF, the San Mateo County Joint Powers Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the original issue date specified above.

SAN MATEO COUNTY JOINT POWERS
FINANCING AUTHORITY

By___________________________________
President

Countersigned:

____
Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2021 BONDS]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

[Closing Date]
Date

____
Authorized Signatory

[FORM OF ASSIGNMENT TO
APPEAR ON SERIES 2021 BONDS]

For value received the undersigned hereby sells, assigns and transfers unto ______________________ (Taxpayer Identification Number: ___________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ______________________ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

____

Dated:

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE ______________________

Note: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: ____________________________________

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

2013 REFUNDED BONDS

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A
(Robert Sans Memorial Issue)

Maturity Date (July 15)	Outstanding Principal Amount	Interest Rate	Redemption Date	CUSIP No.* (79904N)
2024	$670,000	5.000%	July 15, 2023	DJ6
2025	705,000	5.000	July 15, 2023	DK3
2026	740,000	5.000	July 15, 2023	DL1
2027	10,320,000	5.250	July 15, 2023	DM9
2028	4,920,000	5.250	July 15, 2023	DN7
2029	5,055,000	5.250	July 15, 2023	DP2
2030	2,000,000	5.250	July 15, 2023	DQ0
2030	815,000	4.250	July 15, 2023	DT4
2031	2,965,000	4.250	July 15, 2023	DR8
2032	2,190,000	4.250	July 15, 2023	DS6

ESCROW AGREEMENT

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of June 1, 2021

relating to the

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects), 2013 Series A
(Robert Sans Memorial Issue)

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of June 1, 2021, is entered into by and between the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as escrow agent and as trustee (the "Escrow Agent" and the "Trustee").

RECITALS:

WHEREAS, the Authority has heretofore issued $40,065,000 aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue) (the "2013 Series A Bonds"), pursuant to a Trust Agreement, dated as of April 15, 1994 (as supplemented and amended, the "Trust Agreement"), including a Seventh Supplemental Trust Agreement, dated as of July 1, 2013 (the "Seventh Supplemental Trust Agreement"), between the Authority and the Trustee;

[WHEREAS, for the purpose of defeasing all or a portion of the 2013 Series A Bonds (the "Refunded Bonds"), the County of San Mateo (the "County") has prepaid and the Authority has accepted prepayment of a portion of the base rental payments payable on [DATES] and corresponding to the debt service on the 2013 Series A Bonds, and is contributing said prepayment to the defeasance of all or a portion of the 2013 Series A Bonds;]

WHEREAS, the Authority may at any time, pursuant to and in accordance with the Trust Agreement, issue Additional Bonds (as defined therein) for, among other things, the refunding or repayment of any Bonds then Outstanding;

WHEREAS, for the purpose of refunding all or a portion of the Refunded Bonds, the Authority has issued $[Par Amount] aggregate principal amount of San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable) (the "Refunding Bonds"), pursuant to a Tenth Supplemental Trust Agreement, dated as of June 1, 2021 (the "Tenth Supplemental Trust Agreement"), between the Authority and the Trustee;

WHEREAS, the Tenth Supplemental Trust Agreement provides for the transfer and deposit of certain proceeds of the Refunding Bonds and other funds to the Escrow Fund created hereunder to refund and defease the Refunded Bonds, and such proceeds along with the County prepayment and investment earnings thereon shall be in such amount as to ensure the full and timely payment of the Refunding Requirements (as hereinafter defined);

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and in order to secure the payment of the Refunding Requirements as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

Section 1. Definitions.

As used in this Escrow Agreement the following terms have the following meanings:

"Escrow Agent" means U.S. Bank National Association, as escrow agent, or any successor thereto appointed under this Escrow Agreement.

"Escrow Fund" means the fund by that name created pursuant to Section 2 hereof.

"Escrow Securities" means (a) money in an amount which shall be sufficient and/or (b) those certain Government Securities described in Exhibit C to this Escrow Agreement (defined as clause 1 of the definition of Permitted Investments in the Trust Agreement).

"Government Securities" (defined as clause 1 of the definition of Permitted Investments in the Trust Agreement) means (1)(a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Redemption Date" means July 15, 2023 with respect to the Refunded Bonds.

"Refunded Bonds" means the portion of the Authority's Outstanding 2013 Series A Bonds as further described in Exhibit A hereto.

"Refunding Bonds" means the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds, 2021 Series A (Federally Taxable), issued pursuant to the Trust Agreement.

"Refunding Requirements" means all installments of principal, redemption premium, if any, and interest that shall become due with respect to the Refunded Bonds on or prior to the Redemption Date, as shown in Exhibit B to this Escrow Agreement.

"Treasurer" means the officer who is then performing the functions of Treasurer and Controller of the Authority.

"Trust Agreement" means the Trust Agreement, dated as of April 15, 1994, as supplemented and amended, including as further supplemented by the Tenth Supplemental Trust Agreement.

"Trustee" means U.S. Bank National Association, as trustee under the Trust Agreement.

"Verification Agent" means an Independent Certified Public Accountant that delivers a Verification Report. The initial Verification Agent is [Causey Demgen & Moore P.C.]

"Verification Report" means a report of an Independent Certified Public Accountant as to the sufficiency, when paid, of the principal of and interest on the Government Securities and cash on deposit in the Escrow Fund to pay the Refunding Requirements when due.

All other capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Trust Agreement.

Section 2. Creation and Purpose of Escrow.

A. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the Series 2013 Refunding Escrow Fund (the "Escrow Fund"). The Escrow Agent shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall hold the Escrow Fund in escrow for the purposes described herein.

B. On the date of the delivery of the Refunding Bonds to the initial purchasers thereof, the Trustee, pursuant to the Tenth Supplemental Trust Agreement, will deposit with the Escrow Agent in escrow, to be held and accounted for in the Escrow Fund and paid out as provided in this Escrow Agreement and in the Trust Agreement, moneys representing a portion of the proceeds from the sale of the Refunding Bonds, in the amount of $[Escrowed Bond Proceeds], transfer from the Reserve Fund of $[Reserve Transfer] and the amount of $[County Equity] from the County for prepayment and defeasance of the Refunded Bonds. Such moneys shall be sufficient for the purchase of the Escrow Securities and shall be used by the Escrow Agent to purchase the Escrow Securities on such date and to fund the initial cash deposit to the Escrow Fund as set forth in Exhibit C hereto. The principal of and interest on the Escrow Securities and any uninvested cash held hereunder shall be applied by the Escrow Agent to the payment of the Refunding Requirements.

C. The Authority has determined, as verified by the Verification Report of the Verification Agent, dated the date of issuance of the Refunding Bonds, that the Escrow Securities are such that, if interest thereon and principal thereof are paid when due, the proceeds from the collection of such interest and principal, together with any uninvested cash held hereunder, will be sufficient to meet the Refunding Requirements.

D. The Escrow Agent shall hold all Government Securities, whether acquired as initial investments, subsequent investments or reinvestments hereunder, and the money received from time to time as principal and interest thereon, in escrow, to secure and for the payment of the Refunding Requirements and shall collect the principal of and interest on the Government Securities held by it hereunder promptly as such principal and interest become due.

Section 3. Redemption and Payment of the Refunded Bonds.

U.S. Bank National Association, acting as Trustee, is hereby irrevocably instructed to redeem all Refunded Bonds on the Redemption Date therefor at the Redemption Price thereof, together with the interest accrued thereon to, but not including, the Redemption Date, at the times and places and in the manner specified in the Trust Agreement, such payment to be made from the Escrow Fund. The Escrow Agent shall make from time to time such transfers to the Trustee for the Refunded Bonds as will assure, to the extent of moneys in the Escrow Fund, the payment of the Refunding Requirements when due, as provided herein and in the Trust Agreement.

Section 4. Bondholder Notices.

A. U.S. Bank National Association, as Trustee, is hereby irrevocably instructed to mail, as soon as practicable, notice of the defeasance of the Refunded Bonds in the form attached hereto as Exhibit D in accordance with Section 10.01(b)(3) of the Trust Agreement and, as Dissemination Agent, to post such notice on EMMA.

B. U.S. Bank National Association, as Trustee, is hereby irrevocably instructed to give notice of the redemption of the Refunded Bonds for redemption on the Redemption Date at the Redemption Price thereof at the time and in the manner provided in Section 48.01 of the Trust Agreement for the 2013 Series A Bonds, and the Trustee hereby agrees to give such notices, which notices will be irrevocable, in accordance with Section 10.01(b)(1) of the Trust Agreement.

C. The Escrow Agent will not be responsible for determining the accuracy of any information supplied to it by any person pursuant to the procedures outlined herein.

Section 5. Substitution and Reinvestment of Escrow Securities.

A. The moneys and the Government Securities from time to time accounted for in the Escrow Fund shall not be subject to withdrawal by the Authority nor otherwise subject to its order except as otherwise provided in this Section 5 and in Section 3 and Section 7 hereof.

B. There shall be no exchange or substitution of the Escrow Securities, except upon (i) the written direction of the Authority, (ii) receipt by the Authority and the Escrow Agent of a new Verification Report, prepared by an Independent Certified Public Accountant, verifying the sufficiency of the escrow to pay the Refunding Requirements when due and (iii) receipt of an opinion of nationally recognized bond counsel to the effect that such exchange or substitution will not adversely affect the exemption from federal income tax of interest on the Refunded Bonds in which event the Escrow Agent shall sell, redeem or otherwise dispose of the Escrow Securities and substitute other Government Securities as so directed. Any excess proceeds of the sale, redemption or other disposition of such securities in the Escrow Fund (derived in connection with a substitution as provided in this Section) shall be remitted to the Authority free from the escrow created by the Escrow Agreement as shown in the Verification Report. The Escrow Agent shall not be liable or responsible for any loss resulting from any substitution of securities made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

C. The Escrow Agent shall not reinvest any cash portion of the Escrow Fund and shall hold such cash portion uninvested in such Escrow Fund; except, however, that after receiving (i) an opinion of nationally recognized bond counsel to the effect that such reinvestment will not adversely affect the exemption from federal income taxation of interest on the Refunded Bonds and (ii) a new Verification Report, prepared by an Independent Certified Public Accountant, to the effect that such reinvestment will not adversely affect the sufficiency of the amount of Government Securities and cash on deposit in the Escrow Fund, the Escrow Agent may, at the written direction of the Authority, reinvest any cash portion of such Escrow Fund in Government Securities. The Escrow Agent shall not be liable or responsible for any loss resulting from any reinvestment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 6. Sufficiency of Escrow.

Moneys deposited in the Escrow Fund, including the investment earnings thereon and any uninvested cash, shall be in an amount, as determined by the Authority, that at all times shall be sufficient to meet the Refunding Requirements not theretofore met.

If at any time it shall appear to the Escrow Agent that the moneys in the Escrow Fund, including the investment earnings thereon and any uninvested cash, will not be sufficient to meet the Refunding Requirements, the Escrow Agent shall notify the Treasurer of the Authority of such deficiency in writing as soon as reasonably practicable. Upon receipt of such notice, the Authority shall promptly use its best efforts to pay to the Escrow Agent, from any legally available moneys, and the Escrow Agent shall deposit in the Escrow Fund the amount necessary to make up the deficiency. The Escrow Agent shall not be liable or responsible for any loss resulting from its failure to give such notice nor from the Authority’s failure to make any such payment.

Section 7. Termination of Escrow Agreement; Written Request of Authority.

When the Escrow Agent shall have transferred, pursuant to Section 3 hereof, such moneys as are required to pay in full and discharge all of the Refunded Bonds, the Escrow Agent, after payment of all fees and expenses of the Escrow Agent, shall immediately pay over to the Authority, or to a third party pursuant to the Authority’s order, the moneys, if any, then remaining in the Escrow Fund and shall make forthwith a final report to the Authority, and this Escrow Agreement shall terminate. The Trustee shall pay to the Authority any and all unclaimed moneys as provided in Section 10.02 of the Trust Agreement, and this Escrow Agreement shall constitute the Written Request of the Authority for such purpose.

Section 8. Fees and Costs.

A. The Escrow Agent’s fees, expenses and reimbursement for costs incurred for and in carrying out the provisions of this Escrow Agreement have been fixed by separate agreement. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred, including but not limited to legal and accounting services in connection with any litigation or other proceedings which may at any time be instituted involving this Escrow Agreement.

B. Payments to the Escrow Agent pursuant to this Section 8 shall not be for deposit in the Escrow Fund, and the fees of and the costs incurred by the Escrow Agent shall not be a charge on and in no event shall be deducted from the Escrow Fund.

Section 9. Reports.

Upon the termination of this Escrow Agreement, the Escrow Agent shall submit to the Authority a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder. Such report shall be subject to audit by the Authority or by such Independent Certified Public Accountant as may be designated by the Authority. Such report shall also list all Government Securities and the amount of money accounted for in the Escrow Fund.

Section 10. Character of Deposit.

A. It is recognized that title to the Government Securities and moneys accounted for in the Escrow Fund from time to time shall remain vested in the Authority but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions hereof.

B. The Escrow Agent shall hold all such securities and moneys in the Escrow Fund in escrow separate and wholly segregated from all other securities and funds of the Escrow Agent or deposited therein and shall never commingle such securities or moneys with other securities or moneys.

C. No money paid into and accounted for in the Escrow Fund shall ever be considered as a banking deposit, and the Escrow Agent shall have no right or title with respect thereto except in its capacity as Escrow Agent hereunder.

Section 11. Limited Liability of Escrow Agent.

A. The duties and responsibilities of the Escrow Agent are limited to those expressly and specifically stated in this Escrow Agreement.

B. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and in compliance with the provisions hereof. The Escrow Agent shall not be liable or responsible for the accuracy of any calculations made by other parties or the sufficiency of any Escrow Securities, any Government Securities, the Escrow Fund or any moneys held by it to meet the Refunding Requirements.

C. No provision of this Escrow Agreement shall be construed to relieve the Escrow Agent from liability for its own negligence or willful misconduct.

D. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Authority of any of its obligations, nor shall it be responsible in any manner for the recitals or statements contained herein or in the Refunded Bonds or any proceedings taken in connection therewith, such recitals and statements being made solely by the Authority. The Escrow Agent may conclusively rely on any opinion, written request, certificate, written direction or report of the Authority or any certified public accountant, financial advisor or investment bank delivered to it and received in good faith in connection with the transactions contemplated hereby.

E. Nothing in this instrument shall be construed to create any obligations or liabilities on the part of the Escrow Agent to anyone other than the Authority and the holders of the Refunded Bonds.

F. The Escrow Agent may at any time resign by giving thirty (30) days written notice to the Authority of such resignation. The Authority shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the Authority does not appoint a successor, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the Authority may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Authority appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

G. The Authority, to the extent permitted by law, agrees to indemnify the Escrow Agent, its agents and its officers or employees for and hold the Escrow Agent, its agents, officers or employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder, in any transaction arising out of this Escrow Agreement or the Trust Agreement or any of the transactions contemplated herein or in the Trust Agreement, unless due to the Escrow Agent’s or its officers’ or employees’ or agents’ negligence or willful misconduct. Such indemnity shall survive the termination of this Escrow Agreement or resignation of the Escrow Agent.

H. The Escrow Agent may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

I. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages.

J. No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

Section 12. Time of Essence.

Time shall be of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

Section 13. Amendments.

This Escrow Agreement is made for the benefit of the Authority, the Owners from time to time of the Refunded Bonds and the Bond Insurer, as a third-party beneficiary. This Escrow Agreement shall not be repealed, revoked, altered or amended without the written consent of all such Owners and the Bond Insurer; provided, however, that the Authority and the Escrow Agent may, but without the consent of, or notice to, such Owners, enter into such agreements supplemental to this Escrow Agreement for any one or more of the following purposes: (i) to cure any ambiguity or inconsistency or formal defect or omission in this Escrow Agreement; (ii) to grant to, or confer upon, the Escrow Agent for benefit of such Owners any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such Owners or the Escrow Agent; (iii) to subject to this Escrow Agreement additional funds, securities or properties; and (iv) to make any other amendment that does not materially adversely affect the rights of any Owners of the Refunded Bonds; provided, however that no such agreement supplemental to this Escrow Agreement shall modify or amend the irrevocable pledge of the Escrow Fund, the provisions requiring delivery of an opinion of nationally recognized bond counsel and a Verification Report to the Escrow Agent prior to any substitution of Escrow Securities and the provisions requiring delivery of an opinion of nationally recognized bond counsel and a Verification Report to the Escrow Agent prior to any reinvestment of Escrow Securities, without the consent of all Owners of the Refunded Bonds and the Bond Insurer.

Section 14. Successors; Merger or Consolidations.

A. Whenever herein the Authority or the Escrow Agent is named or is referred to, such provision shall be deemed to include any successor of the Authority or the Escrow Agent, respectively, immediate or intermediate, whether so expressed or not.

B. All of the stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority or the Escrow Agent contained herein:

(1) Shall bind and inure to the benefit of any such successor; and

(2) Shall bind and shall inure to the benefit of any officer, board, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority or the Escrow Agent, respectively, or of its successor.

C. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow

Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 15. Notices.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail, as follows:

If to the Authority:	San Mateo County Joint Powers Financing Authority 400 County Center, 1st Floor Redwood City, California 94063 Attention: Treasurer and Controller
If to the Escrow Agent or Trustee:	U.S. Bank National Association One California Street, Suite 1000 Mail Code: SF-CA-SFCT San Francisco, California 94111 Attention: Global Corporate Trust Services

Section 16. Severability.

If any section, paragraph, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 17. Law Governing.

This Escrow Agreement is made in the State of California and is to be construed under the Constitution and laws of such State.

Section 18. Counterparts.

This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY has caused this Escrow Agreement to be signed in its name by its duly authorized officer, and U.S. BANK NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

By:____________________________________
Authorized Signatory

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent, Trustee and Dissemination Agent

By:____________________________________
Authorized Officer

EXHIBIT A

REFUNDED BONDS

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A
(Robert Sans Memorial Issue)

Maturity Date (July 15)	**Outstanding Principal Amount**	**Interest Rate**	**CUSIP No.**
2024	$670,000	5.000%	79904N DJ6
2025	705,000	5.000	79904N DK3
2026	740,000	5.000	79904N DL1
2027	10,320,000	5.250	79904N DM9
2028	4,920,000	5.250	79904N DN7
2029	5,055,000	5.250	79904N DP2
2030	2,000,000	5.250	79904N DQ0
2030	815,000	4.250	79904N DT4
2031	2,965,000	4.250	79904N DR8
2032	2,190,000	4.250	79904N DS6

EXHIBIT B

REFUNDING REQUIREMENTS

[To come]

EXHIBIT C

ESCROW SECURITIES

The following securities will be deposited into the Escrow Fund on [Closing Date]:

[To come]

EXHIBIT D

NOTICE OF DEFEASANCE

Notice to the Holders of the Outstanding
San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects)
listed in Schedule A hereto

Series	Amount	Redemption Date
2013 Series A	$[30,380,000]	July 15, 2023

NOTICE IS HEREBY GIVEN that the San Mateo County Joint Powers Financing Authority (the "Authority") has on [Closing Date], from the proceeds of the sale of lease revenue bonds and other sources, irrevocably set aside in an Escrow Fund created for such purpose and held by U.S. Bank National Association, moneys which the Authority has determined, when added to the investment earnings therefrom, shall be sufficient to pay interest on the outstanding bonds referenced in Schedule A hereto (the "Bonds"), as such payments become due up to and including the redemption date set forth above upon which money is to be available for the payment of the principal of and redemption premium, if any, on such Bonds.

The moneys so deposited in escrow (including the earnings derived from the investment thereof) are irrevocably pledged to the payment of principal, redemption price and interest on the outstanding Bonds. Said moneys have been invested in obligations for the payment of which the full faith and credit of the United States of America is pledged and which bear interest and mature on such dates as to ensure the payment of all principal, redemption premium, if any, and interest on the outstanding Bonds as the same become due.

As a consequence of the foregoing actions and in accordance with the Trust Agreement, dated as of April 15, 1994, as supplemented (the "Trust Agreement"), between the Authority and U.S. Bank National Association, as successor trustee (the "Trustee"), providing for the Bonds, the Bonds are deemed to have been paid in accordance with Section 10.01(b) of said Trust Agreement and are no longer secured by a pledge of the revenues received by the Trustee under the Trust Agreement, such pledge and the obligations and covenants of the Authority under said Trust Agreement have ceased, terminated and become void, and been discharged and satisfied, and the Bonds are payable solely from the moneys set aside in escrow as described above.

SCHEDULE A

REFUNDED BONDS

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A
(Robert Sans Memorial Issue)

Redemption Date: July 15, 2023

Maturity Date (July 15)	Outstanding Principal Amount	Interest Rate	CUSIP No.
2024	$670,000	5.000%	79904N DJ6
2025	705,000	5.000	79904N DK3
2026	740,000	5.000	79904N DL1
2027	10,320,000	5.250	79904N DM9
2028	4,920,000	5.250	79904N DN7
2029	5,055,000	5.250	79904N DP2
2030	2,000,000	5.250	79904N DQ0
2030	815,000	4.250	79904N DT4
2031	2,965,000	4.250	79904N DR8
2032	2,190,000	4.250	79904N DS6

EXHIBIT E

NOTICE OF REDEMPTION

San Mateo County Joint Powers Financing Authority
Lease Revenue Bonds
(Refunding and Capital Projects), 2013 Series A
(Robert Sans Memorial Issue)

Dated: ______________________

NOTICE IS HEREBY GIVEN to the registered owners of the above-referenced bonds identified in the table below (the "Bonds") dated August 7, 2013 and issued under the Trust Agreement, dated as of April 15, 1994, as supplemented and amended, including by the Seventh Supplemental Trust Agreement, dated as of July 1, 2013 (the "Trust Agreement"), between the San Mateo County Joint Powers Financing Authority and U.S. Bank National Association, as Trustee, (the "Trustee"), that the Bonds have been called for redemption on July 15, 2023 (the "Redemption Date") at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with the accrued interest thereon to the Redemption Date.

Maturity Date (July 15)	Principal Amount Redeemed	Interest Rate	CUSIP Number (79904N)
2024	$670,000	5.000%	DJ6
2025	705,000	5.000	DK3
2026	740,000	5.000	DL1
2027	10,320,000	5.250	DM9
2028	4,920,000	5.250	DN7
2029	5,055,000	5.250	DP2
2030	2,000,000	5.250	DQ0
2030	815,000	4.250	DT4
2031	2,965,000	4.250	DR8
2032	2,190,000	4.250	DS6

IMPORTANT NOTICE

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender thereof in the following manner:

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services
111 Filmore Avenue East
1st FL - Bond Drop Window
St. Paul, MN 55107

Please call Bondholder Services at (800) 934-6802 with any questions.

Bondholders presenting their Bonds in person for same day payment **must** surrender their Bond(s) by 1:00 P.M. on the Redemption Date and a check will be available for pick up after 2:00 P.M. Checks not picked up by 4:30 P.M. will be mailed to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount of the Bonds to be redeemed will not accrue from and after the Redemption Date.

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at **www.usbank.com/corporatetrust** and click on the **"Bondholder Information"** link.

IMPORTANT NOTICE

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 28% will be withheld if tax identification number is not properly certified.

**The Trustee shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Notice of Redemption. It is included solely for the convenience of the Holders.*

By: U.S. Bank National Association
as Trustee

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2021

NEW ISSUE – FULL BOOK ENTRY

Ratings:
Moody's: "
S&P: "
(See "RATINGS" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021A Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2021A Bonds. See "TAX MATTERS."

$[PAR AMOUNT]*
San Mateo County Joint Powers Financing Authority
Refunding Lease Revenue Bonds (Federally Taxable),
2021 Series A

Dated: Date of Delivery **Due: July 15, as shown on the inside front cover**

The San Mateo County Joint Powers Financing Authority (the "Authority") is offering $[PAR AMOUNT]* of its Refunding Lease Revenue Bonds (Federally Taxable), 2021 Series A (the "2021A Bonds). The 2021A Bonds are being issued by the Authority pursuant to a Trust Agreement, dated as of April 15, 1994, as supplemented from time to time, including as supplemented by a Tenth Supplemental Trust Agreement (as described herein) by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").

The 2021A Bonds are being issued by the Authority to refund all or a portion of the Authority's Lease Revenue Bonds (Refunding and Capital Projects), 2013 Series A (Robert Sans Memorial Issue) currently outstanding in the aggregate principal amount of $_________ See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2021A Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2021A Bonds, and individual purchases of the 2021A Bonds will be made in book-entry form only. Ownership interests in the 2021A Bonds will be in denominations of $5,000 and integral multiples thereof. Beneficial owners of the 2021A Bonds will not receive physical certificates representing the 2021A Bonds purchased, but will receive a credit balance on the books of the nominees of such purchasers. Interest on the 2021A Bonds is payable on January 15 and July 15 of each year, commencing [January 15, 2022]. Principal of, premium, if any, and interest on the 2021A Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2021A Bonds, as described herein. See APPENDIX B – "BOOK-ENTRY SYSTEM."

[The 2021A Bonds are subject only to extraordinary redemption. See "THE 2021A Bonds—Redemption of 2021A Bonds" herein.]

The 2021A Bonds are limited obligations of the Authority payable solely from, and secured solely by, Revenues of the Authority, consisting primarily of Base Rental Payments to be received by the Authority from the County under a Master Facility Lease, by and between the Authority and the County, for the right to use and possession of certain real property and facilities (the "Leased Property"), as more fully described herein. Pursuant to the Trust Agreement, the 2021A Bonds are secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing outstanding lease revenue bonds and any additional bonds issued under the Trust Agreement.

The 2021A Bonds are limited obligations of the Authority and are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except the Revenues. Neither the full faith and credit of the Authority, the County nor any Member of the Authority is pledged for the payment of the interest on or principal of the 2021A Bonds nor for the payment of Base Rental Payments. Neither the payment of the principal of or interest on the 2021A Bonds nor the obligation to make Base Rental Payments constitutes a debt, liability or obligation of the Authority, the County or any Member of the Authority for which any such entity is obligated to levy or pledge any form of taxation or for which any such entity has levied or pledged any form of taxation. The Authority has no taxing power.

MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS AND CUSIPs
(See Inside Front Cover)

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision with respect to the 2021A Bonds. Capitalized terms used on this cover page not otherwise defined shall have the meanings set forth herein.

The 2021A Bonds are offered when, as and if issued, subject to approval of validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the Authority, and subject to certain other conditions. Certain legal matters will be passed upon for the Underwriters by ________________________________. Certain legal matters will be passed upon for the Authority and for the County by County Counsel and by Norton Rose Fulbright US LLP, San Francisco, California, Disclosure Counsel to the Authority and the County. It is expected that the 2021A Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about June ___, 2021.

* Preliminary, subject to change.

Error! Unknown document property name.

Dated: __________, 2021

____

* Preliminary, subject to change.

$[PAR AMOUNT]*
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY
REFUNDING LEASE REVENUE BONDS (FEDERALLY TAXABLE), 2021 SERIES A

MATURITY SCHEDULE*

Maturity (July 15)*	Principal Amount*	Interest Rate	Yield	CUSIP† Number
	$			

$__________* ___% Term Bond due July 15, ____, Yield: ___%, Price: ___% CUSIP†: ___
$__________* ___% Term Bond due July 15, ____, Yield: ___%, Price: ___% CUSIP†: ___
$___________* ___% Term Bond due July 15, ____, Yield: ___%, Price: ___% CUSIP†: ___

* Preliminary, subject to change.
† Copyright © 2021 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County, the Authority or the Underwriters and are included solely for the convenience of the registered owners of the 2021A Bonds. None of the County, the Authority or the Underwriters is responsible for the selection of uses of these CUSIP numbers, and no representation is made as to their correctness on the 2021A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2021A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2021A Bonds.

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COUNTY OF SAN MATEO

Board of Supervisors

Dave Pine, First District
Carole Groom, Second District
Don Horsley, Third District
Warren Slocum, Fourth District
David Canepa, Fifth District

County Officials

Mike Callagy, County Manager
John C. Beiers, County Counsel

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

Governing Board

Paul Scannell, President
[], Vice President
John M. Gemello, Secretary
[], Member
Thomas F. Casey, Member

SPECIAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California
Bond Counsel

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No dealer, broker, salesperson or any other person has been authorized by the Authority, the County or the Underwriters to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2021A Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2021A Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The issuance and sale of the 2021A Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

IN CONNECTION WITH THIS OFFERING OF THE 2021A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2021A BONDS AT LEVELS ABOVE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "projection" or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions "THE COUNTY OF SAN MATEO" and "COUNTY FINANCIAL INFORMATION" in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

The County maintains various websites. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the 2021A Bonds.

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OFFICIAL STATEMENT

$[PAR AMOUNT][*]
San Mateo County Joint Powers Financing Authority
Refunding Lease Revenue Bonds (Federally Taxable),
2021 Series A

INTRODUCTION

This Introduction is qualified in its entirety by reference to the more detailed information included and referred to elsewhere in this Official Statement, including the cover page, the inside cover page and the appendices (the "Official Statement"). The offering of the 2021A Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Introduction and not otherwise defined herein shall have the respective meanings assigned to them elsewhere in this Official Statement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—Certain Definitions."

Purpose

The purpose of this Official Statement, including the cover page and appendices hereto, is to provide certain information concerning the sale and delivery by the San Mateo County Joint Powers Financing Authority (the "Authority") of $[PAR AMOUNT]* of its Refunding Lease Revenue Bonds (Federally Taxable), 2021 Series A (the "2021A Bonds").

The 2021A Bonds, which are expected to be issued on or about June __, 2021, are being issued by the Authority for the purpose of providing funds, together with other available moneys, to (i) refund all or a portion of the Authority's Lease Revenue Bonds (Refunding and Capital Projects) 2013 Series A (Robert Sans Memorial Issue), currently outstanding in the aggregate principal amount of $__________ (the "2013 Refunded Bonds"), and (ii) pay costs of issuance of the 2021A Bonds. See "PLAN OF FINANCE," and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The County of San Mateo

The County, one of 58 counties in the State of California (referred to herein as the "State" or "California"), was established in 1856. The County is governed by a five-member Board of Supervisors (the "Board") elected to staggered four-year terms. The Board appoints the County Manager to manage the day-to-day affairs of the County. The County occupies 455 square miles and contains 20 cities on a peninsula bounded by San Francisco to the north, Santa Clara County to the south, San Francisco Bay to the east, and the Pacific Ocean on the West, has an estimated population of 773,244 as of January 1, 2020, and an adopted fiscal year 2020-21 General Fund budget of $2.44 billion. See "THE COUNTY OF SAN MATEO" and "COUNTY FINANCIAL INFORMATION" herein.

Authority for Issuance of the 2021A Bonds

The 2021A Bonds are being issued pursuant to the Marks Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State (the "Bond Act"), and a Trust Agreement, originally dated as of April 15, 1994, by and between the Authority and U.S. Bank National Association, as successor trustee (the "Trustee"), as amended and supplemented and as further supplemented by an Tenth Supplemental Trust Agreement, dated as of June 1, 2021, relating to the 2021A Bonds (as amended and supplemented from time to time, the "Trust Agreement"). Pursuant to the Trust Agreement, the Authority has previously issued its $124,355,000 aggregate principal amount of Lease Revenue Bonds (San Mateo County Health Center), 1994 Series A (the "1994 Bonds"); its $19,225,000 aggregate principal amount of Lease Revenue Bonds (Capital Projects), 1995 Series A (the "1995 Bonds"); its $63,205,000 aggregate principal amount of Lease Revenue Bonds (Capital Projects), 1997 Series A (the "1997 Bonds"); its $113,140,000 aggregate principal amount of Lease Revenue Bonds (Capital

[*] Preliminary, subject to change.

Projects), 1999 Refunding Series A (the "1999 Bonds"); its $24,370,000 Lease Revenue Bonds (Capital Projects), 2001 Series A and its $8,520,000 Lease Revenue Bonds (Capital Projects), 2001 Series B (together, the "2001 Bonds"); its $115,505,000 Lease Revenue Bonds (Capital Projects), 2009 Refunding Series A (the "2009 Bonds"); its $40,065,000 Lease Revenue Bonds (Refunding and Capital Projects) 2013 Series A (Robert Sans Memorial Issue) (the "2013 Bonds"), its $________ Lease Revenue Bonds (Capital Projects) 2018 Series A (the "2018A Bonds) and its $_________ Lease Revenue Bonds (Forward Funding), 2019 Series A (the "2019A Bonds").

Following delivery of the 2021A Bonds, only the unrefunded 2009 Bonds, the unrefunded 2013 Bonds the 2018A Bonds, the 2019A Bonds and the 2021A Bonds will be outstanding. Together with any additional bonds issued under the Trust Agreement, they are collectively referred to herein as the "Bonds."

Security for the 2021A Bonds

The 2021A Bonds are limited obligations of the Authority payable solely from, and secured solely by, certain revenues of the Authority (the "Revenues"), consisting primarily of Base Rental Payments to be received by the Authority from the County under a Master Facility Lease, by and between the Authority and the County, originally dated as of April 15, 1994, as amended and supplemented, and as further amended by a Seventh Amendment to Master Lease, dated as of June 1, 2021 (as amended and supplemented from time to time, the "Master Facility Lease" or the "Facility Lease"). 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 of the County to use and occupy the Leased Property. Pursuant to the Trust Agreement, the 2021A Bonds are secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing $__________ of outstanding Bonds and any additional Bonds issued under the Trust Agreement. See "SECURITY FOR THE 2021A Bonds—Pledge Under the Trust Agreement."

BENEFICIAL OWNERS OF THE 2021A BONDS SHOULD NOTE THAT BY THE PURCHASE OF 2021A BONDS ISSUED PURSUANT TO THE TRUST AGREEMENT, THEY WILL CONSENT TO AMENDMENTS ("2018 Amendments") TO THE TRUST AGREEMENT WHICH WILL BECOME EFFECTIVE AFTER THE 2009 BONDS AND THE 2013 BONDS ARE NO LONGER OUTSTANDING. The 2018 Amendments will reduce the Reserve Account Requirement under the Trust Agreement for both the 2018A Bonds and the 2019A Bonds to zero. [Consequently, upon retirement of any unrefunded 2009 Bonds (which have a final maturity of July 15, 2026) and the Series 2013 Bonds (which have a final maturity of July 15, 2032), payment of the Bonds will not be secured with a reserve account.] In addition, by the purchase of the 2021A Bonds beneficial owners will also consent to amendments to the Trust Agreement and the Master Facility Lease, which will become effective upon delivery of the 2021A Bonds, as further described herein. See "SECURITY FOR THE 2021A BONDS—Amendments to Master Facility Lease and Trust Agreement" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Springing Amendments."

Leased Property

The Leased Property supporting Base Rental Payments under the Master Facility Lease consists of various County facilities. See "THE LEASED PROPERTY" herein.

COVID-19 Pandemic

For a discussion of the impact of the COVID-19 Pandemic on the County please see "THE COUNTY" and "COUNTY FINANCIAL INFORMATION" herein.

The 2021A Bonds Constitute Limited Obligations

The 2021A Bonds are limited obligations of the Authority and are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except the Revenues. Neither the full faith nor credit of the Authority, the County nor any Member of the Authority is pledged for the payment of the interest on or principal of the 2021A Bonds nor for the payment of Base Rental Payments. Neither the payment of the principal of or interest on the 2021A Bonds nor the obligation to make Base Rental Payments constitutes a debt, liability or obligation of the Authority, the County or any Member of the Authority for which any such entity is obligated to levy or pledge any form or taxation or for which any such entity has levied or pledged any form of taxation. The Authority has no taxing power.

Bondowners' Risks

Certain events could affect the County's ability to make the Base Rental Payments when due. See "RISK FACTORS" for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2021A Bonds.

Continuing Disclosure

The County will covenant pursuant to a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to provide certain financial information and operating data relating to the County by not later than March 30 of each calendar year, commencing with the report for fiscal year 2020-21 (ending June 30, 2021) with respect to the 2021A Bonds (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events (the "Listed Events"), not in excess of ten business days after the occurrence of a Listed Event. The Annual Report and the notices of Listed Events will be filed by the County with the Municipal Securities Rulemaking Board (the "MSRB") or any other entity designated or authorized by the Securities and Exchange Commission (the "SEC") to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org. Except as described under "CONTINUING DISCLOSURE," as of the date hereof, the County has never failed to comply in any material respect with any previous undertakings with regard to the provision of Annual Reports or notices of Listed Events as required by Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule"). See "CONTINUING DISCLOSURE" herein and APPENDIX F – "PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT."

Summaries Not Definitive

Brief descriptions of the 2021A Bonds, the Authority, the County and the Leased Property are included in this Official Statement, together with summaries of the Master Site Lease, the Master Facility Lease and the Trust Agreement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the 2021A Bonds, the Master Site Lease, the Master Facility Lease and the Trust Agreement are qualified in their entirety by reference to the actual documents, or with respect to the 2021A Bonds, the forms thereof included in the Trust Agreement, copies of all of which are available upon request at the corporate trust office of the Trustee at 60 Livingston Avenue, St. Paul, Minnesota 55107.

Additional Information

The County regularly prepares a variety of publicly available reports, including audits, budgets and related documents. Any Owner of the 2021A Bonds may obtain a copy of any such report, as available, from the Trustee or the County. Additional information regarding this Official Statement may be obtained by contacting the Trustee or:

Mr. Robert Manchia
Budget Director, County of San Mateo
Hall of Justice and Records
400 County Center, First Floor
Redwood City, California 94063
(650) 363-4597

PLAN OF FINANCE

The 2021A Bonds are being issued by the Authority for the purpose of providing funds, together with other available moneys, to (i) refund all or a portion of the Authority's Lease Revenue Bonds (Refunding and Capital

Projects) 2013 Series A (Robert Sans Memorial Issue), currently outstanding in in the aggregate principal amount of $___________ (the "2013 Refunded Bonds"), and (ii) pay costs of issuance of the 2021A Bonds.

A portion of the net proceeds of the 2021A Bonds, together with other available moneys, will be used to redeem all or a portion of the outstanding 2013 Refunded Bonds on July 15, 2023 at a redemption price equal to the principal amount thereof, plus accrued interest thereon to the redemption date, without premium.

DEBT SERVICE REQUIREMENTS ON BONDS

The table below shows the debt service on the Bonds secured under the Trust Agreement, assuming delivery of the 2021A Bonds and the refunding of a portion of the outstanding 2013 Bonds with proceeds of the 2021A Bonds. Certain other long-term obligations payable from the General Fund have been issued and are currently outstanding under trust agreements other than the Trust Agreement. See "COUNTY FINANCIAL INFORMATION—Indebtedness—Long-Term Obligations" herein.

Table 1
DEBT SERVICE REQUIREMENTS

Period Ending July 15,	Outstanding Bonds(*) Principal	Interest	2021A Bonds Principal	Interest	Total Debt Service After Issuance of 2021A Bonds(1)
2021	$	$	$	$	$
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
Total(†)					

(†) Totals may not add due to rounding.
(1) Accounts for refunding of a portion of the 2013 Bonds with proceeds of the 2021A Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the 2021A Bonds and other available amounts are as follows:

	2021A Bonds
Sources of Funds	
Principal Amount of Bonds	$
Net Original Issue Premium	
Release from Reserve Fund	
Total Sources	$
Uses of Funds	
Refunding of the 2013 Refunded Bonds(1)	
Deposit to Interest Account	
Costs of Issuance(2)	
Total Uses	$

(1) To be deposited in the 2021 Escrow Fund.
(2) Includes legal fees, financing and consulting fees, underwriters' discount, fees of bond counsel, printing costs, rating agency fees, and other miscellaneous expenses. For a description of the underwriters' discount, see "UNDERWRITING" herein.

THE 2021A BONDS

General

The 2021A Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2021A Bonds. Payments of principal, premium, if any, and interest on the 2021A Bonds will be paid by the Trustee to DTC which is obligated in turn to remit such principal, premium, if any, and interest on the 2021A Bonds to its DTC Participants for subsequent disbursement to the Beneficial Owners (as defined herein) of the 2021A Bonds. See "—DTC and the Book-Entry System" below.

The 2021A Bonds will be dated the date of their initial delivery and will bear interest from such date payable, on January 15, 2022, and semi-annually thereafter on January 15 and July 15 of each year (each, an "Interest Payment Date"). Interest on the 2021A Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. Ownership interests in the 2021A Bonds will be in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations").

Redemption of 2021A Bonds

No Optional or Mandatory Redemption of 2021A Bonds. The 2021A Bonds are not subject to optional or mandatory redemption.

Extraordinary Redemption. The 2021A Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated series and maturity of the 2021A Bonds, in integral multiples of Authorized Denominations, from prepayments made by the County from the net proceeds received by the County due to a taking of the Leased Property or portions thereof under the power of eminent domain, or from the net proceeds of insurance received for material damage to or destruction of the Leased Property or portions thereof or from the net proceeds of title insurance, under the circumstances described in the Trust Agreement and the Master Facility Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select the Bonds to be redeemed in part from the outstanding Bonds so that the aggregate annual principal amount of and interest on the Bonds which will be payable after such date of redemption will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on the Bonds outstanding prior to such date of redemption. Any extraordinary redemption of the 2021A Bonds purchased at a premium could result in a loss to the investor. See “RISK FACTORS–Premium Bonds”.

Selection of Bonds for Redemption. If less than all of the Outstanding 2021A Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the 2021A Bonds of such maturity to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the 2021A Bonds so selected for redemption. For purposes of such selection, the 2021A Bonds shall be deemed to be composed of $5,000 multiples and any such multiple may be separately redeemed. In the event term 2021A Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

Notice of Redemption. Notice of redemption of any 2021 Bond will be mailed by the Trustee, not less than 30 nor more than 60 days prior to the redemption date, to the respective owners of the 2021A Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. So long as DTC is acting as the securities depository for the 2021A Bonds, notice of redemption will be mailed to DTC, not to the Beneficial Owners of the 2021A Bonds. In the event of redemption of 2021A Bonds (other than sinking fund redemptions), the Trustee shall mail a notice of optional or extraordinary redemption, other than any notice that refers to 2021A Bonds that are to be redeemed from proceeds of a refunding bond issue, only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the 2021A Bonds to be redeemed.

The Authority may, at its option, on or prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by written request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled. The Authority may provide for a conditional notice of redemption.

Effect of Redemption. If notice of redemption has been duly given pursuant to the Trust Agreement and money for the payment of the redemption price of the 2021A Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice the 2021A Bonds so called for redemption shall become due and payable, and from and after the date so designated for redemption, the interest on such 2021A Bonds will cease to accrue. Such 2021A Bonds will cease to be entitled to any benefit or security under the Trust Agreement and the bondholders of such 2021A Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

DTC and the Book-Entry System

DTC will act as securities depository for the 2021A Bonds. The 2021A Bonds are being issued in fully-registered form and, when issued, will be registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Bond certificate will be issued for each maturity of the 2021A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. So long as Cede & Co. is the registered owner of the 2021A Bonds, as nominee of DTC, references herein to the owners of the 2021A Bonds shall mean Cede & Co. and shall not mean the actual purchasers of the 2021A Bonds (the “Beneficial Owners”). The information in this section and in APPENDIX B concerning DTC and DTC’s book-entry system is based solely on information provided by DTC, and no representations can be made by the County, the Authority or the Trustee concerning the accuracy thereof. See APPENDIX B – “BOOK-ENTRY SYSTEM” for a further description of DTC and its book-entry system.

THE LEASED PROPERTY

The Leased Property will include (i) the real property and facilities comprising the San Mateo County Health Center (the “County Health Center”), (ii) the real property and the facilities known as County Office Building #2 (iii) the real property and facilities comprising the County Crime Lab, and (iv) the real property and facilities comprising the regional operations center (the “ROC”), currently under construction. In 2028, based on existing debt service requirements for the Bonds and increased rental value from the County Health Center, the County expects to release County Office Building #2, the County Crime Lab and the ROC from the Leased Property. See, “SECURITY FOR THE 2021A BONDS – Release of the Leased Property.”

County Health Center

The County Health Center is located on a 21-acre parcel of land and consists of a hospital, an outpatient clinics building (the "39th Avenue Clinics"), a central plant and the remodeled portion of the 1954 hospital building, now used for hospital administration [which will be demolished and replaced as described above]. The hospital is a four-story building of approximately 350,000 square feet housing 227 acute and long-term beds. The hospital provides a full array of emergency, in-patient, psychiatric, imaging, laboratory, specialty health, skilled nursing, and surgical services. The medical/surgical, psychiatric, and intensive care units have an annual total of approximately 25,000 inpatient days. The surgery service and operating room also accommodates almost 2,500 surgeries annually. Additionally, the hospital operates both an acute Emergency Room (the "ER") and Psychiatric Emergency Services ("PES"). The acute ER has over 33,000 visits each year, while PES has almost 3,000 visits each year. The 39th Avenue Clinics, which include clinics relating to adult care, senior care, pediatrics, OB/GYN, medical specialty, surgical specialty, dental, and sexually transmitted diseases, had 112,000 ambulatory clinic visits in fiscal year 2017-18, representing half of the total clinic visits in the entire County Health Center ambulatory clinic system. The County Health Center is part of the Medical Center.

Construction of the County Health Center commenced in May 1994 and was completed in November 1998. The total cost of the construction of the County Health Center was approximately $134.7 million and the insured value is approximately $187.9 million, and the insured value, less the value of the 1954 building which will be demolished, is approximately $167.9 million.

See "THE COUNTY OF SAN MATEO—County Services" "—Health-Related Services" herein.

County Office Building No. 2

County Office Building No. 2, which is part of the County Government Center, is located at the corner of Middlefield Road and County Center Street, adjacent to the County's 900-car parking structure, which was completed in December 1994. The parcel is approximately 36,000 square feet. County Office Building No. 2 is a 5-story building of approximately 120,000 square feet with a basement level of 30,000 square feet. County Office Building No. 2 provides offices for the County Public Works Department, the Department of Child Support Services, the County Assessor-Clerk-Recorder, the County Treasurer-Tax Collector and the County Controller.

Construction commenced in April 1998 and was completed in July 1999. The total cost of County Office Building No. 2 was approximately $23.3 million and the insured value is approximately $52.6 million.

County Crime Lab

The County Crime Lab ("Crime Lab") consists of a one-story building of approximately 30,000 square feet, and its construction was designed to provide for energy conservation. The exterior consists of split-face concrete block, and high solar-efficient glass was used for daylighting through exterior walls and skylights. Variable-volume fume hoods draw energy only when active and all mechanical and electrical systems have been interfaced with sensor controls to reduce energy consumption. In addition, the building's sloping roofs were designed for photovoltaic arrays capable of generating 180 kW, one-third of the building's projected electrical demand. The facility houses Crime Lab staff that consist of criminalists and forensic specialists, property officers, and administrative staff that serve all criminal justice agencies in the County by providing specialized investigative and scientific analytical services and expert testimony to support the investigation and adjudication of alleged criminal activity. In fiscal year 2017-18, the Crime Lab processed over 11,000 major case items, including firearms, latents, forensic biology, DNA analysis, crime scene processing controlled substances, and blood alcohols. The Crime Lab also houses the Administration and Investigation Units of the County Coroner's Office, including criminal investigators and administrative staff. The Coroner's Office receives over 3,000 death reports each year and investigates approximately 530 cases annually. Autopsies are performed at the County Health Center.

Construction of the Crime Lab commenced in October 2001 and was completed in 2003. The total cost of the construction of the County Crime Lab was approximately $12.9 million and the insured value is approximately $16.2 million.

Regional Operations Center

[UPDATE][The Regional Operations Center ("ROC") is a two-story, 36,000 square foot state-of-the-art dispatch and emergency response center located on the County's main campus. Upon completion, the ROC will house the County's 911 dispatch center, the related public safety communications and office of administrative services offices and will also serve as the County's main data center.

The ROC is under construction and is expected to be occupied by the County in the summer of 2019. Given its purpose, the ROC is designed to sustain its operations during an earthquake.

The ROC has a budgeted cost of $64 million, all of which will be paid from County fund balances (i.e., equity).]

SECURITY FOR THE 2021A BONDS

Pledge Under the Trust Agreement

The Trust Agreement provides that the Bonds, including the 2021A Bonds, are payable solely from, and are secured by a lien on revenue of the Authority consisting of, (a) all Base Rental Payments and other payments paid by the County and received by the Authority under the Master Facility Lease as further described below, (b) all interest and other income derived from certain funds held under the Trust Agreement, and (c) any moneys payable to the Authority pursuant to an interest rate swap, cap, floor, collar or other hedging transaction (a "Swap") entered into by the Authority for the purpose of managing interest rate risk with respect to Bonds or any Additional Bonds (collectively, the "Revenues") and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established under the Trust Agreement (other than the Rebate Fund), all under the terms and conditions set forth in the Trust Agreement. The Authority has not entered into any Swap in connection with the Bonds, and, as of the date hereof, the County does not anticipate that any Bonds will have associated Swaps.

Pursuant to the Trust Agreement, the 2021A Bonds are secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing $___________ of outstanding Bonds and any additional Bonds issued under the Trust Agreement. As and to the extent set forth in the Trust Agreement, all the Revenues are irrevocably pledged for the security and payment of the Bonds and the sum payable by the Authority in connection with any Swaps; but nevertheless out of the Revenues certain amounts may be applied for other purposes as provided in the Trust Agreement. As noted above, the County has not entered into any Swap in connection with the Bonds and does not anticipate that any Bonds will have associated Swaps.

The 2021A Bonds are limited obligations of the Authority and are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts, except the Revenues. Neither the full faith and credit of the Authority, the County or any Member of the Authority is pledged for the payment of the interest on or principal of the 2021A Bonds nor for the payment of Base Rental Payments under the Master Facility Lease. Neither the payment of the principal of or interest on the 2021A Bonds nor the obligation to make Base Rental Payments under the Master Facility Lease constitutes a debt, liability or obligation of the Authority, the County or any Member of the Authority for which any such entity is obligated to levy or pledge any form of taxation or for which any such entity has levied or pledged any form of taxation. The Authority has no taxing power.

Outstanding Parity Bonds

As of June 1, 2021, the Authority had outstanding $_________ aggregate principal amount of Bonds comprised of $_________ principal amount of 2009 Bonds, $____________ principal amount of 2013 Bonds $________ principal amount of the 2018A Bonds and $_________ principal amount of the 2019A Bonds, secured by a pledge, charge and lien upon the Revenues equal to the pledge, charge and lien securing the 2021A Bonds. A portion of the net proceeds of the 2021A Bonds will be used to redeem all or a portion of the outstanding 2013 Bonds. Following delivery of the 2021A Bonds, only the unrefunded 2009 Bonds, the unrefunded 2013 Bonds, the 2018A Bonds, the 2019A Bonds and the 2021A Bonds will be outstanding under the Trust Agreement.

Base Rental Payments

Revenues of the Authority pledged under the Trust Agreement to the payment of the 2021A Bonds consist primarily of the Base Rental Payments to be made by the County to the Authority under the Master Facility Lease. The obligation of the County to pay Base Rental Payments to the Authority when due is a General Fund obligation of the County. NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE COUNTY OR ANY MEMBER OF THE AUTHORITY IS PLEDGED FOR THE PAYMENT OF BASE RENTAL PAYMENTS. For a further description of the Base Rental Payments, see "BASE RENTAL PAYMENTS" herein.

FOR INFORMATION REGARDING THE COUNTY, INCLUDING FINANCIAL INFORMATION, SEE "THE COUNTY OF SAN MATEO" AND "COUNTY FINANCIAL INFORMATION" HEREIN AND APPENDIX A AND APPENDIX C ATTACHED HERETO. SEE ALSO "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES" HEREIN.

The County's obligation to pay Base Rental Payments is subject to abatement. However, during periods of abatement, any moneys in the Reserve Fund or proceeds of rental interruption insurance are available to pay principal of and interest on the 2021A Bonds. See "BASE RENTAL PAYMENTS—Covenant to Budget and Appropriate—Abatement" and "RISK FACTORS—Abatement Risk" herein.

Common Reserve Fund

Pursuant to a proposed amendment to the Trust Agreement, the Trust Agreement will be amended, effective upon retirement of the 2009 Bonds and the Series 2013 Bonds, so that the Reserve Fund Requirement will be reduced to zero. Consequently, payment of the interest on or principal of the 2021A Bonds will not be secured with a reserve fund following retirement of the 2013 Bonds. See below under "—Amendments to Master Facility Lease and Trust Amendment—Proposed Trust Agreement Amendment Effective upon Retirement of the Unrefunded 2009 Bonds and the 2013 Bonds" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Springing Amendments" herein.

The Trust Agreement establishes a common Reserve Fund which is currently funded in an amount equal to the Reserve Fund Requirement, which means the lesser of maximum annual debt service on all Bonds outstanding or 125% of average annual debt service on all Bonds outstanding. The Reserve Fund is currently funded at its required level with approximately[$___ million of cash and investments], with the remainder funded with a municipal bond debt service reserve insurance policy (the "Existing Assured Surety Policy") issued by AGM. The Existing Assured Surety Policy insurance policy, issued in the amount of $________, expires on July 15, 2032 (which is also the final maturity date of the 2013 Bonds).

All money in the Reserve Fund must be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of the Bonds or for the retirement of all the Bonds then outstanding, except that so long as the Authority is not in default under the Trust Agreement, any cash amounts in the Reserve Fund in excess of the Reserve Fund Requirement may be withdrawn from the Reserve Fund and deposited in the Revenue Fund, on or before each interest payment date. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Revenue Fund" herein.

Pursuant to the terms of the Trust Agreement, the provider of a reserve fund surety must have a rating in one of the two highest rating categories of any rating agency.

Substitution of Leased Property

Pursuant to the Master Facility Lease, the County and the Authority may substitute real property as part of the Leased Property being leased for purposes of the Master Site Lease and the Master Facility Lease, but only after the County shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

a) Executed copies of the Master Site Lease and the Master Facility Lease or amendments thereto containing the amended description of the Leased Property and the real property being leased, including the legal description of the real property being leased as modified if necessary;

b) A Certificate of the County with copies of the Master Site Lease and the Master Facility Lease, if needed, or amendments thereto containing the amended description of the Leased Property and the real property being leased stating that such documents have been duly recorded in the official records of the County Recorder of the County;

c) A Certificate of the County, evidencing that the annual fair rental value of the Leased Property and the real property which will constitute the Leased Property after such substitution (which may be based on the construction or acquisition cost or replacement cost of such facility to the County) will at least equal 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending July 15 or in any subsequent year ending July 15;

d) (i) A California Land Title Association leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the real property being leased after such substitution in an amount at least equal to the amount of such insurance provided with respect to the real property being leased prior to such substitution; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in such substituted property subject only to such exceptions as do not substantially interfere with the County's right to use and occupy such substituted property and as will not result in an abatement of Base Rental Payments payable by the County under the Master Facility Lease; or

   (ii) An Opinion of Counsel or Certificate of the County stating that, based upon review of such instruments, certificates or any other matters described in such Opinion of Counsel or Certificate of the County, the County has good merchantable title to the Leased Property and the real property being leased which will constitute the Leased Property and the real property being leased after such substitution. The term "Good Merchantable Title" shall mean such title, as in the Opinion of Counsel or Certificate of the County is satisfactory and sufficient for the needs and operations of the County, subject only to certain permitted encumbrances;

e) A Certificate of the County stating that such substitution does not adversely affect the County's use and occupancy of the Leased Property; and

f) An Opinion of Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Master Facility Lease; (ii) complies with the terms of the Constitution and laws of the State and of the Master Facility Lease; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County in accordance with its terms; and (iv) will not cause the interest on the Bonds and any Additional Bonds to be included in gross income for federal income tax purposes.

Release of Leased Property

Pursuant to the Master Facility Lease the County and the Authority may release Leased Property from the Master Facility Lease and the Master Site Lease, but only after the County has filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

a) Executed copies of the Master Site Lease and the Master Facility Lease or amendments thereto containing the amended description of the Leased Property;

b) A Certificate of the County with copies of the Master Site Lease and Master Facility Lease, if needed, or amendments thereto containing the amended description of Leased Property stating that such documents will be duly recorded in the official records of the County Recorder of the County;

c) A Certificate of the County that the annual fair rental value of Leased Property which will constitute the Leased Property after such release (which may be based on the construction or acquisition cost, replacement cost or insured value of such facility to the County) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending July 15 or in any subsequent year ending July 15 and which will be no less than the debt service coming due on the Bonds then Outstanding under the Trust Agreement in the then current year or in each subsequent year; and

d) An Opinion of Counsel (as such term is defined in the Trust Agreement) stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Master Facility Lease; (ii) complies with the terms of the Constitution and laws of the State and of the Master Facility Lease; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the County in accordance with its terms; and (iv) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

See "THE LEASED PROPERTY" for a discussion of the County's plan to release certain of the Leased Property prior to the final maturity of the 2021A Bonds.

Amendments to Trust Agreement

Proposed Trust Agreement Amendment Effective upon Retirement of the Unrefunded 2009 Bonds and the 2013 Bonds. Pursuant to a proposed amendment set forth in the Eighth Supplemental Trust Agreement, the Trust Agreement will be amended to eliminate the requirement for a Reserve Fund, effective upon retirement of the unrefunded 2009 Bonds and the 2013 Bonds. As a consequence, upon retirement of the unrefunded 2009 Bonds and the 2013 Bonds, the Reserve Fund Requirement under the Trust Agreement will be reduced to zero, and payment of the 2021 Bondholders will not be secured with a reserve account. The amendment also permits the County and the Authority to establish a reserve fund for any new series of Bonds, but the reserve fund will not serve as security for any outstanding series of Bonds. The purchase of the 2021A Bonds by the beneficial owners thereof will constitute consent of such purchasers, as bondholders, to these amendments.

See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Springing Amendments" herein.

Additional Bonds

[ADD DESCRIPTION OF OTHER OUTSTANDING BONDS] In addition to the 2021A Bonds, the 2009 Bonds, the 2013 Bonds, the 2018A Bonds and the 2019A Bonds, the Authority and the Trustee may, by a supplemental trust agreement, provide for the issuance of Additional Bonds, subject to satisfaction of certain provisions contained in the Trust Agreement. Additional Bonds will be payable from the Revenues as provided in the Trust Agreement and secured by a pledge of and charge and lien upon the Revenues equal to the pledge, charge and lien securing the outstanding Bonds theretofore issued under the Trust Agreement, subject to the terms and conditions of the Trust Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Additional Bonds" herein. See also "COUNTY FINANCIAL INFORMATION—County Debt Limit" herein. In addition, the Authority may, with the prior written consent of the insurer of any Bonds enter into swap agreements, payments under which would be on a parity with the Bonds. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Pledge of Revenues; Creation of Special Funds and Accounts" herein.

Investment of Bond Funds

Pursuant to the Trust Agreement, all money held by the Trustee in any of the funds or accounts established pursuant to the Trust Agreement are required to be invested only in "Permitted Investments" as defined in the Trust Agreement. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—CERTAIN DEFINITIONS," herein.

BASE RENTAL PAYMENTS

General

As rent for the right to use and occupy the Leased Property, the County covenants to pay Base Rental Payments and also to pay Additional Payments in amounts required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the Leased Property as described in the Master Facility Lease, including without limitation, the fees, costs and expenses and all administrative costs of the Authority related to the Leased Property and the fees of auditors, accountants, attorneys or architects.

County General Fund Obligation

The obligation of the County to pay Base Rental Payments and Additional Payments when due is a General Fund obligation of the County. THE COUNTY HAS NOT PLEDGED THE FULL FAITH AND CREDIT OF THE COUNTY, THE STATE OR ANY AGENCY OR DEPARTMENT THEREOF TO THE PAYMENT OF SUCH BASE RENTAL PAYMENTS.

Notwithstanding any dispute between the County and the Authority, the County must make all Base Rental Payments and Additional Payments when due without deduction or offset of any kind and cannot withhold any such payments pending final resolution of such dispute. The Master Facility Lease is a "net-net-net lease" and the County agrees that the rents provided for therein will be an absolute net return to the Authority free and clear of any expenses, charges or set-offs whatsoever. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Payments to be Unconditional."

Covenant to Budget and Appropriate

Pursuant to the Master Facility Lease, the County covenants to take such action as may be necessary to include Base Rental Payments and Additional Payments due in its annual budgets and to make the necessary annual appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform such covenants.

Insurance. The Leased Property will be insured to the extent set forth in the Master Facility Lease. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Fire and Extended Coverage and Earthquake Insurance" and "—Rental Interruption or Use and Occupancy Insurance" herein. The Master Facility Lease requires the County to maintain or cause to be maintained insurance against risk of loss or damage by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance, and during construction, earthquake insurance. See, "THE LEASED PROPERTY" for a discussion of the portions of the Leased Property that will be under construction and subject to the requirement to maintain earthquake insurance during the construction period. The extended insurance coverage will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Leased Property, excluding the cost of excavations, of grading and filling, and of the land (except that such earthquake insurance may be subject to a deductible clause of not to exceed 10% of such replacement cost for any one loss and except that such other insurance may be subject to deductible clauses for any one loss of not to exceed $250,000), or, in the alternative, shall be in an amount and in a form sufficient (together with moneys in the Reserve Fund), in the event of total or partial loss, to enable all Bonds then outstanding to be redeemed. The proceeds of all property insurance must be used to repair, reconstruct or replace the Leased Property or any portion thereof which is destroyed or damaged or to redeem Bonds. Pursuant to the Master Facility Lease the County may self-insure for such risks. The County self-insures its real property with respect to most hazards and the County maintains excess insurance coverage for claims over $100,000 and up to a maximum replacement value of $500 million. See "COUNTY FINANCIAL INFORMATION—Self-Insurance Programs" herein. The County currently insures all its buildings against earthquake and flood damage through a $100 million per occurrence and in the aggregate property insurance policy, subject to a deductible equal to 5% of the value of each building affected, or a minimum of $250,000, whichever is greater.

The County is required to maintain rental interruption or use and occupancy insurance to cover loss of rental income from or loss of the use of the Leased Property as a result of any of the hazards covered by its insurance coverage required by the Master Facility Lease in an amount equal to maximum annual Base Rental Payments due under the Master Facility Lease for any two-year period, except that such insurance may be subject to a deductible clause of not to exceed $1,000 and except that such insurance need be maintained as to the peril of earthquake only during construction.

Abatement. Base Rental Payments are paid by the County in each rental payment period for and in consideration of the right of use and occupancy of the Leased Property during each such period for which said rental is to be paid.

The Base Rental Payments will be abated proportionately during any period in which by reason of any material damage or destruction or loss or defect in title (other than by condemnation which is otherwise provided for in the Master Facility Lease) there is substantial interference with the use and occupancy of any portion of the Leased Property by the County, in the proportion in which the cost of that portion of the Leased Property rendered unusable bears to the cost of the whole Leased Property. Such abatement will continue for the period commencing with such damage or destruction (or loss or defect in title) and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Master Facility Lease continues in full force and effect and the County waives any right to terminate the Master Facility Lease by virtue of any such damage or destruction. In the event the Leased Property cannot be repaired during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments (a period of two years) plus the period for which funds are available from the Reserve Fund, or in the event that casualty insurance proceeds are insufficient to provide for complete repair of the Leased Property, there could be insufficient funds to cover payments to Bondowners in full. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—FACILITY LEASE—Fire and Extended Coverage and Earthquake Insurance" and "—Rental Interruption or Use and Occupancy Insurance" herein.

Default and Remedies

Upon an Event of Default described below, the County will be deemed to be in default under the Master Facility Lease and the Authority (or the Trustee as assignee of the Authority) may exercise any and all remedies available pursuant to law or granted pursuant to the Master Facility Lease. Upon any such default, including a failure to pay Base Rental Payments, the Trustee as assignee of the Authority may either (1) terminate the Master Facility Lease and recover certain damages or (2) continue to collect rent from the County on an annual basis by seeking a separate judgment each year for that year's defaulted Base Rental Payments and/or reenter the Leased Property and relet it. **In the event of default, there is no remedy of the acceleration of the total Base Rental Payments due over the term of the Master Facility Lease, and the Trustee is not empowered to sell a fee simple interest in the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service thereon.**

Events of Default under the Master Facility Lease include (i) the failure of the County to pay any rental payable under the Master Facility Lease when the same becomes due and payable, (ii) the failure of the County to keep, observe or perform any term, covenant or condition of the Master Facility Lease to be kept or performed by the County after notice and the elapse of a 30 day grace period and (iii) the bankruptcy or insolvency of the County.

FOR A FURTHER DESCRIPTION OF THE PROVISIONS OF THE MASTER FACILITY LEASE, INCLUDING THE TERMS THEREOF AND A DESCRIPTION OF CERTAIN COVENANTS THEREIN, INCLUDING CONSTRUCTION, MAINTENANCE, UTILITIES, TAXES, ASSESSMENTS, INSURANCE AND EVENTS OF DEFAULT AND AVAILABLE REMEDIES, SEE "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS —FACILITY LEASE" IN APPENDIX D ATTACHED HERETO.

THE COUNTY OF SAN MATEO

General

The County was established on April 19, 1856. Located on the San Francisco Peninsula, coastal mountains run north and south through the County, dividing the lightly populated western part from the heavily populated eastern corridor between San Francisco to the north and Santa Clara County to the south. The County covers 455 square miles and contains 20 incorporated cities and the San Francisco International Airport. By population, San Mateo County is the 14th largest county in the State, with 773,244 persons according to the California Department of Finance preliminary population estimates as of January 1, 2020. The county seat is located in Redwood City.

As of January 1, 2020, approximately 66,083 people lived in the unincorporated area of the County. County departments provide municipal services for the unincorporated area of the County, including but not limited to, law enforcement, fire prevention, land use and zoning, building permits and local road building and maintenance.

Police services are also provided by the County on a contract basis for the cities and towns of Half Moon Bay, Millbrae, Woodside, Portola Valley and San Carlos, each of which are within the County's boundaries.

County Government

The County is a charter county and is governed by a Board of Supervisors whose members serve four-year terms on a full time basis. Each member of the Board (a "Supervisor") must reside in one of five geographical districts in the County. The Supervisors are elected by the eligible voters of their districts. The Board appoints the County Manager to administer County affairs. The County Manager appoints all non-elected department heads with the exception of the Chief Probation Officer. The Board appoints the County Counsel. Elected officials include the Assessor-County Clerk-Recorder, the County Controller, the County Coroner, the County District Attorney, the County Sheriff and the County Treasurer-Tax Collector.

Brief biographies of the Supervisors (in alphabetical order), the County Manager, the Assistant County Manager, the County Treasurer-Tax Collector and the County Controller follow:

Carole Groom was elected to the Board in June 2010, served as Board President in 2011, 2015, and 2019. Prior to Supervisor Groom's appointment in 2009, she served nine years on the San Mateo City Council, including two terms as Mayor, and on the San Mateo Planning and Public Works Commissions.

Supervisor Groom's legislative priorities include expanded access to quality preschool and literacy, healthcare for all, environmental protection, preservation of the County's parks, and growing the local economy. In December 2012, she was appointed to the California Coastal Commission by then California State Assembly Speaker, John Perez.

Since 2011, Supervisor Groom has worked with the San Mateo County Office of Education and Silicon Valley Community Foundation to increase the reading proficiency of third graders countywide. The initiative, called The Big Lift, was formally launched in 2013 and seeks to raise the reading proficiency of third grade students in San Mateo County through key interventions including access to high quality preschool, inspiring summer experiences, reducing chronic absenteeism and increasing family engagement around literacy.

In 2014, Supervisor Groom and Supervisor Dave Pine began the process of establishing Peninsula Clean Energy (PCE), a community choice energy program, to provide consumers with an option for more renewable energy sources. With the support of the Board and participation of all 20 San Mateo County cities, in 2016, the Joint Powers Authority was formally created to launch Peninsula Clean Energy. In 2020, PCE served nearly 300,000 residential and business accounts across San Mateo County.

Her professional experience includes 18 years as a Vice President of Mills-Peninsula Health Services. Carole Groom resides in the city of San Mateo.

Don Horsley was elected to the Board as the District 3 Supervisor in 2010 and assumed office in January 2011. He was re-elected in 2014 and again in 2018 for a third and final term. He has served twice as President of the Board. He will be President for a third time in 2022.

A former San Mateo County Sheriff, Supervisor Horsley also served as an elected member of the Sequoia Healthcare District prior to being elected to the Board. Supervisor Horsley also serves on the boards of Health Plan of San Mateo, the San Mateo County Transportation Authority, the Housing Our People Effectively ("HOPE") Interagency Council, and the Local Agency Formation Commission. Supervisor Horsley has made agricultural issues on the coast and within the unincorporated area one of his priorities as a supervisor. He has also championed innovative solutions to farmworker housing challenges on the Coastside. Transportation issues, from solving the potential deterioration of Highway 1 at Surfer's Beach to the creation of the Devil's Slide Trail County Park, have been highlights of Supervisor Horsley's tenure. He has also been deeply involved with environmental issues in the county, including flooding problems in Pescadero. He is a board member of the newly created Flood and Sea Level Rise Resiliency District and also a member of the San Mateo County Express Lanes JPA, creating a widened Highway 101 through San Mateo County that will include HOV and dedicated bus lanes. Since approximately 70% of all Building and Planning issues for San Mateo County take place within the Third District's unincorporated areas, Supervisor Horsley is particularly committed to facilitating interaction between the public and the permitting process. He has also made it a goal to initiate health care options for people living in the Pescadero area and the Midcoast. Supervisor Horsley lives in Emerald Lake Hills with his wife Elaine.

Dave Pine was first elected to the San Mateo County Board of Supervisors in a special election in May 2011, and subsequently reelected in 2012, 2016 and 2020.

He served as Board President in 2014 and 2018. He represents District 1 which includes Burlingame, Hillsborough, Millbrae, and portions of San Bruno and South San Francisco; the unincorporated communities of San Mateo Highlands, Baywood Park and Burlingame Hills; and the San Francisco Airport.

As a board member for the San Francisco Bay Conservation and Development Commission (BCDC), the San Francisco Bay Restoration Authority, the San Mateo County Flood and Sea Level Rise Resiliency District Board, and the San Francisquito Creek Joint Powers Authority, Supervisor Pine has worked extensively on the intersecting issues of flood control, sea level rise and tidal land restoration. He is also the founding chair of the Peninsula Clean Energy Authority and serves on the boards of the San Mateo County Transit District (SamTrans), the Peninsula Corridor Joint Powers Board (Caltrain), the Bay Area Regional Collaborative, and Joint Venture Silicon Valley.

Supervisor Pine previously was a school board member for the Burlingame School District from 2003 to 2007 and the San Mateo Union High School District from 2007 to 2011. He is also a past president of the San Mateo County School Boards Association.

Before focusing his career on public service, Pine worked as an attorney representing start-up and high-growth technology companies. After working in private practice with Fenwick & West, he served as Vice President and General Counsel for Radius, Excite@Home, and Handspring.

Originally from New Hampshire, Pine is a graduate of Dartmouth College, where he was awarded a Harry S. Truman scholarship and was elected, at age 19, to the New Hampshire State House of Representatives. Following his undergraduate studies, Pine earned his Juris Doctorate from the University of Michigan Law School.

David Canepa was elected to the Board in November 2016. He represents District 5, which includes: the City of Brisbane, Broadmoor, the Town of Colma, the City of Daly City, and parts of the City of San Bruno and the City of South San Francisco.

Supervisor Canepa served on the Daly City Council from 2008 through 2016 and served as Mayor in 2014. He is a proud fourth-generation San Mateo County resident who was born at Seton Hospital. He has a bachelor's degree from the University of San Francisco in Politics and graduated from Skyline College in San Bruno before that.

Canepa's previous experience includes serving on the City/County Association of Governments (C/CAG), as Vice Chair of the San Mateo County Transportation Authority, and as Director of the Bay Area Air Quality Management District representing 20 cities.

As Supervisor, Canepa continues to serve on the Board of Directors for the Bay Area Air Quality Management District and C/CAG. He also serves on boards such as the First 5 Commission, Health Plan of San Mateo, San Mateo County Medical Center, the San Mateo County Event Center, the Commission on Aging, Community Corrections Partnership and the Association of Bay Area Governments.

During Canepa's career, he has focused on investing in the creation of affordable housing, improving public safety, enhancing public transportation, and ending discrimination in all of its forms.

Warren Slocum was elected to the Board in November 2012 and represents the Fourth District which includes East Palo Alto, a portion of Menlo Park, Redwood City, and the unincorporated community of North Fair Oaks.

When he was elected by his peers as President of the Board in January 2020, Supervisor Slocum set as his top priority to honor the diversity of the county by making advances through the lenses of equity and social progress. This includes, working collaboratively building more affordable housing, moving the needle to resolve homelessness particularly for families and veterans, and reducing traffic congestion. In fact, since his election to the Board of Supervisors, Warren has been focused on improving the quality of life for all people on the Peninsula, and issues of transportation, housing, immigrants, veterans, and youth. He is a fierce advocate for social justice and has introduced and co-sponsored legislation to establish a Language Access Policy, Veterans Commission, Office of Community Affairs, and the Office of Immigrant Affairs.

As a member of the Board, Warren serves the County on several Boards and Commissions including the Local Agency Formation Commission, Housing Endowment & Regional Trust, and the Housing Our People Effectively Interagency Action Council and was instrumental in the hiring of the County's first Chief Equity Officer.

Warren is a proud Vietnam veteran who earned his degree from San Diego State University. Previously, Warren served as the San Mateo County Assessor-County Clerk Recorder & Chief Elections Officer. He and his wife, Maria Diaz-Slocum, a member of the Redwood City School Board, call Redwood City home. Warren is a technology enthusiast, an amateur photographer, a dog lover, and coffee aficionado who believes in the concept "#DreamBig."

Michael P. Callagy joined the County in 2013 as a Deputy County Manager and was named Assistant County Manager in April 2016. In November 2018, he assumed the role of County Manager after being appointed by the Board of Supervisors.

Michael Callagy has more than 37 years of public sector service experience. Before joining the County, he spent 29 years with the San Mateo Police Department where he ran day-to-day operations as the deputy police chief until his retirement. He is a licensed attorney in the state of California and in addition to his law degree from Santa Clara University, holds a Bachelor of Arts and Master's in public administration from the College of Notre Dame and a Master's in homeland defense and security from the Naval Postgraduate School.

As County Manager, Michael Callagy oversees the efficient running of daily County operations and carries out policies established by the Board of Supervisors.

A dedicated family man, he lives in Foster City with his wife and four children.

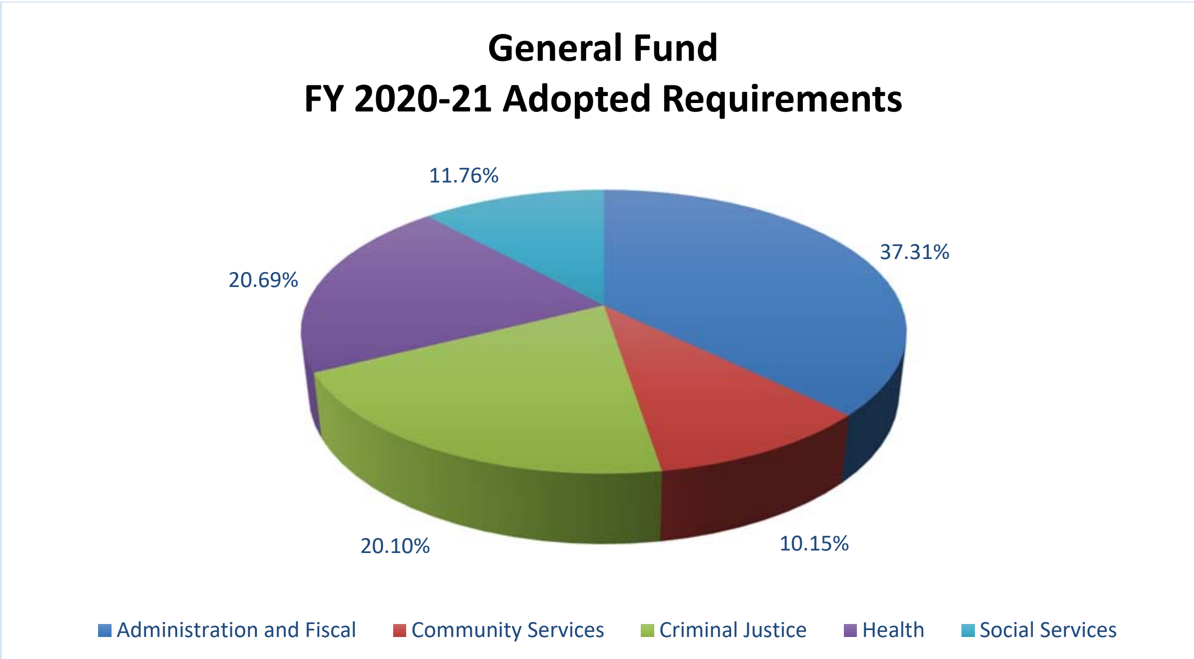
Sandie Arnott is the first woman elected to the position of San Mateo County Treasurer-Tax Collector. She was elected in November 2010 and re-elected in June 2014 and June 2018. She was initially employed by the office in 1989 and has served as Deputy Treasurer-Tax Collector since 2002. Since her election, Sandie Arnott's priorities have been focused on improving payment processes by making them more efficient and environmentally friendly. She opened remote tax collection locations in South San Francisco and Half Moon Bay and provided mailbox drop-off service during peak tax collection periods. She introduced Live Chat website assistance and online property auctions in 2011. E-billing for secured property taxes was made available in 2015. She replaced the 30-year-old tax collection system she inherited with Grant Street Group's state-of-the-art TaxSys solution in September, 2019. She is now serving her constituents with a full-featured system, employing modern and secure private cloud technology, easily configurable interfaces to key County systems, and real-time dashboards with a view into daily operations. Sandie Arnott realized success in her legislative campaign to reinstate the Senior Citizens and Disabled Tax Postponement Program in 2016, and AB2738, which she authored to protect school bond proceeds/taxpayer dollars, was signed into law on September 22, 2016. She currently serves as ex-Officio Trustee of the San Mateo County Employees Retirement Association (SamCERA); past President of the California Association of County Treasurers & Tax Collectors (CACTTC) and is a member of the San Mateo County Treasury Oversight Committee, the CACTTC Legislative Committee. Sandie Arnott was selected by State Treasurer Betty Yee to serve on a special Property Tax Procedures Manual Committee and was chosen by the California State Association of Counties (CSAC) to serve on a California Debt Investment Advisory Committee (CDIAC) steering committee. She was recently selected to serve on the Legislative Committee of the National Association of County Collectors, Treasurers and Finance Officers (NACCTFO) and is a Director on the North Peninsula Food Board Pantry & Dining Center of Daly City. She served as President of Women in County Government in 1997-98.

Juan Raigoza assumed the office of County Controller in January 2015. Controller Raigoza began working for the County of San Mateo Controller's Office in 2001 as a senior internal auditor. He later became the payroll division manager and then the controller's information systems division manager. Prior to being elected as Controller, he was the County's Assistant Controller for three years. During his time with the County, Controller Raigoza developed expertise in governmental accounting, auditing and internal controls. His knowledge of information systems, operations management and financial accounting enabled him to assess business and accounting functions and develop business processes and information technology solutions to improve operational and financial performance. Leveraging this expertise allowed Controller Raigoza to successfully lead the implementation of a new payroll system. Other countywide initiatives include replacing paper time sheets with an automated timekeeping system and upgrading the County's financial accounting system. Controller Raigoza is a member of the Government Finance Officers Associations (GFOA) and Chair of the Bay Area Group of the State Association of County Auditors. Controller Raigoza's office has received the GFOA's Award for Excellence in Financial Reporting for the County of San Mateo's Comprehensive Annual Financial Report for 15 consecutive years and the Popular Annual Financial Report for 13 consecutive years. Prior to joining the County, Raigoza worked for two Big-4 accounting firms. He worked as a State and Local Tax Consultant for Ernst & Young and as a Management Consultant for Deloitte & Touche, where he primarily advised public sector clients. Raigoza also worked as a Tax Auditor for the California Franchise Tax Board, where he conducted income tax compliance audits of large multi-national corporations headquartered in the San Francisco Bay Area. Controller Raigoza has an undergraduate degree in Business Administration with a concentration in finance and accounting, and a Master's of Business Administration (MBA) from the California State University, Chico.

County Services

Many of the County's functions are required under County ordinances or by State or federal mandate. State and federally mandated programs, primarily in the social and health services areas, are directed to be maintained at certain minimum levels, which may, under some conditions, limit the County's ability to control its budget. However, under designated State and federal programs, eligible costs are subject to reimbursement according to specific guidelines.

The chart below shows the General Fund adopted budget requirements for each of the major service areas during fiscal year 2020-21:



Source: County.

Health-Related Services

General. [UPDATE] Under State law, the County is required to administer State and federal health programs, and to provide for a portion of their costs with local revenues, such as sales and property taxes. These services are provided under the County's health system (the "Health System"), which includes the following divisions: Aging and Adult Services/Public Authority, Behavioral Health and Recovery Services, Correctional Health, Emergency Medical Services, Environmental Health, Family Health, Health Administration, Health Coverage Unit, Health Information Technology, Public Health Policy and Planning, and the Medical Center. The County is also responsible for all medical care of the indigent pursuant to State law. The County provides these medical care services to all County residents regardless of their ability to pay.

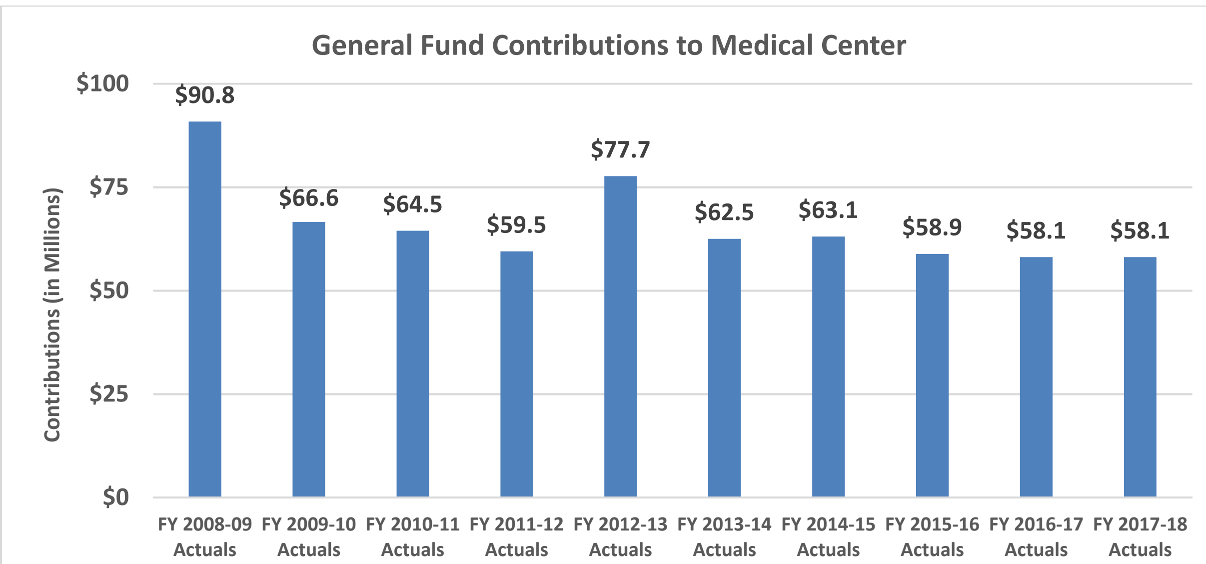
The Board approved $827.3 million for fiscal year 2018-19 in total requirements (expenditures and department reserves) for all Health System services and programs, or 23.95% of the County's fiscal year 2018-19 Adopted Budget for General Funds. The General Fund cost of all Health System services and programs (net of State and federal reimbursements and other revenue), is budgeted at $156.5 million, including $58.1 million in General Fund contributions to the Medical Center for medical care of the indigent, pursuant to the State mandate described in the preceding paragraph.

During fiscal year 2018-19, the cost of General Fund operating divisions within the Health System is funded with approximately 36% from State funds (including realignment revenues described in "COUNTY FINANCIAL INFORMATION—State Funding" below), approximately 4% from federal funds, approximately 28% from charges for services, and approximately 20% from County funds, with the remaining 12% being funded primarily by aid from local agencies, miscellaneous revenues and existing fund balances.

The County owns and operates an acute care hospital, a long-term care facility as well as ten primary care clinics with a total of 509 beds. Collectively, these facilities are referred to as the Medical Center. The hospital provides a full array of emergency, in-patient, psychiatric, imaging, laboratory, specialty health, skilled nursing, and surgical services. The clinics provide community-oriented primary and specialty care across the County and provided approximately 236,352 ambulatory visits to County residents in fiscal year 2017-18.

The Medical Center is operated as an enterprise fund, separate and apart from the County's General Fund. The Medical Center is funded by a number of revenue sources, including State and federal funds, pharmaceutical and medical supply sales, and net patient revenue, as well as contributions from the General Fund. During fiscal year 2018-19, the cost of the Medical Center is funded with approximately 42% from State and federal funds (including realignment revenues described in "COUNTY FINANCIAL INFORMATION—State Funding" below), approximately 37% in net patient revenues, approximately 16% from the General Fund, with the remaining 5% being funded by the sales of pharmaceuticals and medical supplies, miscellaneous revenues and existing fund balances.

The County annually makes General Fund contributions to support the operations of the Medical Center. In fiscal year 2017-18, the Medical Center received a $58.1 million contribution from the General Fund. The County's contribution has remained relatively flat for the last three years. See "COUNTY FINANCIAL INFORMATION—2018-19 County Budget" and "—Future Year Budgets" herein. The chart below illustrates the General Fund historical and budgeted contributions to the Medical Center over a ten year period.



Source: County.

See also "COUNTY FINANCIAL INFORMATION—State Reimbursement Payments" herein for a description of the financing of the County Medical Center. See also APPENDIX C – "COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2017."

Health Care Reform. The Affordable Care Act (ACA), which became effective January 1, 2014, changed health care coverage for Americans in two significant ways. It expanded Medicaid (called Medi-Cal in California) to cover more impoverished individuals and provides subsidies for low and middle income Americans who can now purchase insurance through State-established health insurance marketplaces.

The County has seen the effects of the expansion of Medi-Cal under the ACA. As of September 1, 2018, the Health Plan of San Mateo (HPSM), a separate legal entity from the County, had 33,000 additional Medi-Cal members and a total Medi-Cal membership of 114,000.

An additional change with California's implementation of the ACA was the addition of treatment for substance use and moderate mental illnesses for adults enrolled in Medi-Cal. Medi-Cal benefits were previously limited to treating only those with very serious mental illness conditions. This growth in Medi-Cal membership and benefits presents challenges to the County's Health System.

As a direct result of the ACA, the Medical Center is now serving 17,000 additional Medi-Cal members. At the same time, the number of patients served by the County's Access and Care for Everyone (ACE) program declined with the expansion of Medi-Cal. The ACE program is designed to meet the County's indigent healthcare responsibilities and serve County residents who are not eligible for Medi-Cal, Medicare, private insurance or other third-party payers. Enrollment in ACE is currently 21,000, compared to a 2013 (prior to the Affordable Care Act) enrollment of 31,000. In addition, because a greater percentage of the patients served by the Medical Center now have insurance, the Medical Center is less reliant upon State realignment funds. However, the significant increase in patients has also stressed the Medical Center's capacity to serve Medi-Cal members, as they are required to be seen for urgent, primary and specialty care within specified timeframes—standards that the ACE program does not have.

At this time, the Medicaid provisions under the ACA remain in place. Although the Tax Cuts and Jobs Act of 2017 passed in Congress in December 2017 included a repeal of the Affordable Care Act's individual mandate starting in 2019, and a repeal of the individual mandate is likely to result in higher premiums on the health insurance exchanges, the County does not anticipate any significant revenue impact to the County solely as a result of the repeal of the individual mandate.

Health System Challenges. Given the decline in federal support for the ACA and potential changes to the ACA, as well as declining revenues and increasing operating costs, the Health System officials have indicated that the Health System may see a revenue gap of between $25 and $49 million in fiscal years 2019-20 through 2020 21. Although any changes to the ACA are unclear at this time, the Health System's analysis assumes that certain waivers granted in connection with early implementation of the ACA will be eliminated. Such waivers had increased subsidies at the Medical Center and lowered San Mateo County health insurance premiums.

Using the budget balancing principals that the Board has adopted, the Health System will be developing strategies to bring back to the Board and County executives over the course of the next six months to mitigate the possible loss of revenues and increased operating costs resulting from potential changes to the ACA or otherwise. Such mitigation measures may include the reduction or elimination of non-mandated programs. At this time, the County's position is that the Health System would receive no greater growth in County contribution than other General Fund Departments. The potential revenue gap has not been included in the "COUNTY FINANCIAL INFORMATION – Revenue Growth Projects – Five Year Revenue and Expenditure Projections" described below."

Other County Services

Justice Services. The County criminal justice system is supported primarily by local County revenues and State funding. State legislation adopted in 1997 transferred responsibility from the counties to the State for providing court facilities for all judicial officers, support positions and court operations. The County is responsible for maintenance of effort requirements for court-related fines and forfeitures and court operations, including County facility payments for court facilities transferred to the State in fiscal year 2008-09 in compliance with the Trial Court Facilities Act of 2002. The Sheriff's Office provides law enforcement, prevention, education, and community policing to the unincorporated areas of the County and within eight contract jurisdictions; provides specialized investigative services through the Investigations Bureau and the Forensic Laboratory Division; and emergency management coordination through the Homeland Security Division. The Sheriff's Office also provides incarceration and rehabilitative services for pretrial and court-sentenced adult inmates housed in the two County jails. The fiscal year 2020-21 adopted budget for the Sheriff's Office is $290 million or 12% of the General Fund budget, including a General Fund cost of $144 million (net of State and Federal reimbursements and other revenue, including Proposition 172 Local Public Safety Protection and Improvement Act of 1993, and California's Public Safety Realignment Act of 2011).

The San Mateo County Sheriff's Office Corrections Division operates two jail facilities including the Maguire Correctional Facility and the Maple Street Correctional Center. For fiscal year 2019-20, the average daily inmate population was 877 inmates. To address aging and outdated facilities, general overcrowding, and a need for programming space designed to reduce recidivism, the County built the Maple Street Correctional Center, a 254,000 square foot three-story housing unit designed to accommodate a total of 576 beds for both men and women. Construction of the Maple Street Correctional Center began in April 2013 and was completed in March 2016. The total architectural and construction costs for the Maple Street Correctional Center was approximately $165 million. The Maple Street Correctional Center, including the site acquisition, was financed with the proceeds of the $175,065,000 Lease Revenue Bonds (Capital Projects), 2014 Series A (Maple Street Correctional Center) issued by the Authority for the benefit of the County. (See "COUNTY FINANCIAL INFORMATION—Indebtedness—Long-Term Obligations" herein.) In fiscal year 2014-15 the Board approved plans to add 256 inmate beds at a cost of $25,611,000, which upon the closing of the older section of the Maguire Correctional Facility and elimination of 280 inmate beds, resulted in a net reduction of 24 beds. This project was funded with General Fund Excess Educational Revenue Augmentation Fund ("ERAF") reserves and was occupied in October 2016.

Human Services. The County provides a variety of services to low income and underserved populations. Through the Human Services Agency, the County conducts administration of public assistance benefits, veterans services, health insurance eligibility, employment services, placement and skills training, child care services, child protective services, prevention services, foster placement and adoption, foster youth transition support, and homelessness reduction, prevention, and shelter referrals.

The General Fund cost of all human services programs (net of State and federal reimbursements and other revenue) is budgeted for fiscal year 2020-21 at $58.0 million, a 1.0% increase from fiscal year 2019-20. The Board approved $275.9 million in total requirements for all human services programs in the 2020-21 County Budget or approximately XX% of the General Fund budget. The cost of all human service programs is being funded approximately 40% with state funds (including realignment revenues (described below), approximately 20% with federal funds and approximately 21% with county funds, with the remaining 19% being funded from miscellaneous revenues, charges for services and existing fund balances

Disaster Services. The County coordinates a network of disaster services to handle floods, fires, storms, earthquakes and other major emergencies.

The San Mateo Office of Emergency Services ("OES"), under the County Manager's Office (CMO), operates under a Joint Powers Agreement between the County and 20 cities/towns in the County. OES provides training and exercises, emergency response coordination and support, planning and communications coordination, public education and grant administration for a total General Fund cost of $1.325 million.

General Government. The County is responsible for the administration of the property tax system, including property assessment which is the custodial responsibility of the Assessor, assessment appeals which is the responsibility of the Assessment Appeals Board under the County Managers Office, collection of taxes which is the responsibility of the Tax Collector and the Office of the Controller which is responsible for the distribution of taxes to cities, successor agencies to redevelopment agencies, special districts, local school districts and the County.

A second major government service is the County's Voter Registration and Election Division, which serves over 441,000 registered voters and provides 756 voting precincts with an All-Mailed Ballot/Vote Center Election model for a total budgeted General Fund cost of approximately $5.1 million in fiscal year 2020-21.

The Elections Division is also facing a complex and demanding project of adjusting voting boundaries. In addition to the decennial adjustments required by the census, a number of jurisdictions are considering or in the process of transitioning to district elections, requiring additional adjustments to precinct boundaries. This task requires a coordinated team effort to implement these changes both in the GIS system, and in the election information management system.

Parks. The County operates a network of 24 parks and recreation areas which serve millions of park visitors annually. The County park system encompasses over 16,000 acres of park land, 190 miles of trails, and facilities that include playgrounds, free picnic areas and reservable campgrounds, picnic areas, and shelters for a total budgeted General Fund cost of approximately $14.3 million in fiscal year 2020-21.

Libraries. The County operates a library system, governed by a joint powers authority, which is comprised of 13 community libraries and one bookmobile. The network of libraries serves approximately 2.3 million visitors annually for a total budgeted General Fund cost of $193,514 in fiscal year 2020-21 (out of a total cost of $66.4 million).

County Employment

The number of authorized permanent employment positions for fiscal year 2020-21 was 5,755. The following table sets forth the total number of authorized County employment positions for the fiscal years listed.

Table 1
COUNTY OF SAN MATEO
AUTHORIZED PERMANENT EMPLOYMENT POSITIONS

Fiscal Year	Authorized Permanent Employment Positions
2010-11	5,311
2011-12	5,179
2012-13	5,062
2013-14	5,182
2014-15	5,286
2015-16	5,421
2016-17	5,491
2017-18	5,530
2018-19	5,535
2019-20	5,647
2020-21	5,755

Source: Adopted Budgets, County.

Employee Relations and Collective Bargaining

County employees include eleven labor organizations represented by bargaining agents and four unrepresented groups. The principal labor organizations represented by bargaining agents include the American Federation of State, County and Municipal Employees Local 829 (“AFSCME”) and Service Employees International Union Local 521 (“SEIU”), which together total approximately 59.4% of all permanent County employees. Contracts with these two organizations expire on October 2, 2021.

The number of County employees represented by various bargaining agents as well as the number of non-represented employees are shown in the following table.

Table 2
COUNTY OF SAN MATEO
EMPLOYEE BARGAINING REPRESENTATION
AND NON-REPRESENTED EMPLOYEES
(As of March 9, 2021)

Bargaining Agents:	Number of Employees[(1)]	Contract Expiration Date
AFSCME	1,696	October 2, 2021
California Nurses Association	380	December 31, 2021
Deputy Sheriffs Association	439	January 9, 2021
SEIU	1,322	October 2, 2021
Building Construction and Trades Council	82	February 3, 2024
Union of American Physicians and Dentists	115	May 14, 2022
San Mateo County Council of Engineers	16	February 19, 2022
Probation and Detention Association	173	May 14, 2022
Organization of Sheriff's Sergeants	63	April 4, 2021
Law Enforcement Unit	42	December 23, 2023
Extra-Help: AFSCME and SEIU	1,478	January 22, 2022
Non-represented employees:		
Unrepresented Attorneys	83	N/A
Confidential	105	N/A
Management	567	N/A
Unrepresented Extra-Help and Limited Term	2,007	N/A

(1) Excludes Court employees. Includes term, extra help and permanent filled positions.
Source: County.

The County is currently negotiating with the Deputy Sheriffs Association and the Organization of Sheriff's Sergeants.

In the event a labor contract expires before the County reaches an agreement, the existing terms and conditions of employment will remain in place throughout the negotiations process. If the County and the represented organization reach an impasse (i.e., there is a deadlock in negotiations), the County and the labor organization may agree to mediation in an attempt to resolve any remaining issues. If such mediation is unsuccessful, then the represented organization may request further oversight by a three-person panel, consisting of one representative selected by the County, one representative selected by the represented organization, and a chairperson that is appointed by the State's Public Employment Relations Board. The three-person panel is empowered to conduct investigations, make inquiries, hold hearings, and take any steps necessary to resolve the bargaining impasse. If the impasse is not settled within 30 days after the appointment of the three-person panel, and the parties do not agree to an extension of time, the panel must submit written findings of fact and recommended terms of settlement to the parties. These findings and recommendations are made available to the public within ten days of their receipt. Finally, once the findings and recommendations are made public, the County may implement its last, best and final offer. Prior to doing so the County must hold a public hearing regarding the impasse.

The County has never experienced a major work stoppage by County employees. In March 2019, the County's Human Services Unit, one of the eleven units represented by AFSCME, staged a two-day strike. During this time, all County departments remained open, although certain services were centralized.

COUNTY FINANCIAL INFORMATION

The following is a description of the County's budget process, historical budget information, changes in fund balance, balance sheets, its major revenues and expenditures, indebtedness, investments and certain other financial information relating to the County. *Certain statistical and economic data provided in this section is historical and may differ materially from future results as a result of economic or other factors, including COVID-19.*

COVID-19 Pandemic

[TO COME]

Budget Procedures and Policies

The County is required by State law to adopt a balanced budget by October 2nd of each year. The County Manager's Office (the "CMO") prepares a five-year forecast of the County's General Fund revenues and expenditures based on current year expenditures, the Governor's annual proposed State budget, the State and local economy, and other projected revenue trends. Based on this forecast, the County budget is developed and projected resources are tentatively allocated to the various County programs. The County implemented a two-year budget process for fiscal years 2013-15, 2015-17, and is currently in its fourth two-year budget for fiscal years 2019-21. As part of its process for developing the budgets for such fiscal years, the County has projected General Fund discretionary revenue and expenses over a five-year planning horizon. See "—2020-21 County Budget" and "—Future Year Budgets" below.

Each year, the CMO presents the recommended budget for the upcoming fiscal year to the Board. The Board is required by the County Budget Act to approve the recommended budget for the upcoming fiscal year no later than June 30.

Between January and the time the State adopts its own budget (which must be adopted by each house of the State Legislature by no later than June 15), representatives of the CMO monitor, review and analyze the State budget and all adjustments made by the Legislature of the State (the "State Legislature"), as well as all other expenditure and revenue trends. Upon the State's adoption of its budget, the CMO recommends revisions to the County's recommended budget to align County expenditures with revenues based on year-end closing activities and September budget revisions, including final fund balance adjustments. The County then adopts the budget for the fiscal year, in accordance with State law, on or before October 2.

The County has historically employed extensive fiscal planning and conservative budget practices to ensure that annual revenues plus available resources are sufficient to cover ongoing annual expenses while maintaining healthy fund balances. As a matter of policy, the County conservatively differentiates ongoing revenues and ongoing expenditures from revenue sources that it deems temporary. In addition, fund balances and reserves are viewed as one-time sources of funding used only for one-time purposes or as part of a multi-year financial plan to balance the budget. By adhering to these policies, the County avoids operating deficits created through dependency on one-time funding for ongoing expenditures.

[To ensure that the budget remains in balance throughout each fiscal year, each month the CMO monitors actual expenditures and revenue receipts. In the event of a projected year-end deficit, immediate steps are taken to ensure expenditures and revenues are balanced.]

2020-21 County Budget

The Adopted Budget for fiscal year 2020-21, following year-end closing activities and September budget revisions, including final fund balance adjustments, was adopted by the Board on September 29, 2020. The General Fund budget for fiscal year 2020-21 amounts to $2.44 billion, representing an increase of 21.20% or $427 million over fiscal year 2019-20. The increase was largely due to the County's response to the COVID-19 pandemic , and one-time outlays for capital and IT improvements, including those funded with Measure K (formerly Measure A, half-cent sales tax) proceeds. See "—Measure K Revenues" below.

The General Fund began fiscal year 2020-21 with a fund balance of [$696.3 million] inclusive of General Fund contingencies and reserves, which is $107.9 million more than the prior fiscal year. This increase was largely due to Excess Educational Revenue Augmentation Fund (ERAF) proceeds of $180.0 million, net of a $27 million lump sum contribution to the San Mateo County Employees' Retirement Association (SamCERA) in keeping with the Board's plan to substantially reduce the County's unfunded pension liability by 2023, as further described in "—Retirement Program—Plan Description" below. See also "—County General Fund Reserves and Reserves Policies" herein.

The following table presents the summary of the General Fund budget for the current fiscal year and each of the five previous fiscal years, as set forth in the respective adopted budgets.

Table 4
COUNTY OF SAN MATEO
ADOPTED COUNTY BUDGET – GENERAL FUND
Fiscal Years 2015-16 through 2020-21

	Adopted 2015-16 Budget	Adopted 2016-17 Budget	Adopted 2017-18 Budget	Adopted 2018-19 Budget	Adopted 2019-20 Budget	Adopted 2020-21 Budget
SOURCES:						
Taxes:						
Property Taxes[1]	$338,695,161	$369,194,578	$394,721,269	$426,217,146	465,771,922	484,086,279
Excess ERAF[2]	55,000,000	55,000,000	55,000,000	55,000,000	60,000,000	65,000,000
Sales Taxes[3]	25,786,000	25,141,677	25,017,432	25,467,746	25,977,101	21,186,650
Measure K Sales Tax[4]	98,907,618	120,297,830	129,444,764	120,770,412	136,485,705	139,656,549
All Other Taxes	25,130,203	23,352,658	25,953,886	26,567,641	29,448,215	20,673,667
Licenses, Permits and Franchises	6,482,374	7,089,603	7,030,866	7,288,690	7,277,274	7,502,859
Fines, Forfeitures and Penalties	7,484,059	7,074,284	5,984,342	5,986,842	6,410,121	6,626,557
Use of Money and Property	8,550,086	10,386,903	11,769,397	15,990,860	19,177,140	28,033,805
Intergovernmental Revenues[5]	465,414,277	463,447,487	505,294,625	504,826,610	524,153,942	664,953,087
Charges for Services	142,489,014	142,899,427	139,954,615	146,725,074	169,243,889	186,144,570
Interfund Revenue	74,646,958	77,855,295	77,236,555	77,804,089	83,580,226	78,802,390
Miscellaneous Revenue	36,660,713	33,649,923	38,411,316	36,934,906	26,527,905	25,944,912
Other Financing Sources	460,542	5,720,034	2,085,000	11,829,461	17,285,907	18,415,712
Total Revenue	$1,285,707,005	$1,341,109,699	$1,417,904,067	$1,461,409,477	1,571,339,347	1,747,027,037
Fund Balance	416,463,403	421,909,308	450,064,032	499,527,400	588,454,492	696,309,009
TOTAL SOURCES	$1,702,170,408	$1,763,019,007	$1,867,968,099	$1,960,936,877	2,159,793,839	2,443,336,046
REQUIREMENTS:						
Salaries and Benefits	$730,697,936[7]	$777,567,201	$817,750,982	$836,369,190	898,354,803	956,209,308
Services and Supplies	474,039,639	474,850,981	516,917,154	483,352,086	531,329,711	549,158,844
Other Charges	292,282,846	334,173,046	352,469,310	334,778,147	365,186,967	459,403,746
Reclassification of Expenses						(253,538)
Fixed Assets	23,665,074	31,686,890	19,155,604	28,922,383	34,091,889	25,257,577
Other Financing Uses	177,115,444	189,324,172	176,038,047	184,328,483	222,397,270	310,783,002
Gross Appropriations	$1,697,800,939	$1,807,602,290	$1,882,331,097	$1,867,750,289	2,051,360,640	2,300,558,939
Intrafund Transfers	(211,395,678)	(214,643,674)	(204,328,741)	(191,402,685)	(213,218,648)	(145,570,306)
Net Appropriations	$1,486,405,261	$1,592,958,616	$1,678,002,356	$1,676,347,604	1,838,141,992	2,154,988,633
Contingencies/Dept Reserves	215,765,147	170,060,391	189,965,743	284,589,273	321,651,847	288,347,413
General Reserves (Non-Gen Fd)	–					
Non-General Fund Reserves	–					
TOTAL REQUIREMENTS	$1,702,170,408	$1,763,019,007	$1,867,968,099	$1,960,936,877	2,159,793,839	2,443,336,046

(1) Property Taxes include Secured, Unsecured, Supplementals and In-Lieu VLF (as defined herein) amounts.
(2) See "—Return of Local Property Taxes – Excess ERAF" below.
(3) Sales Tax includes Sales and Use Taxes and In-Lieu Sales & Use Tax Revenue.
(4) Measure K sunsets on March 31, 2043.
(5) Includes realignment revenues.

Source: County Controller.

Future Year Budgets

General. County fiscal staff use the "off-budget" year of the two-year cycle to focus on process improvement initiatives to enhance organizational efficiency and improve service delivery and to develop performance dashboards on the County's website that demonstrate progress in achieving the Board's Shared Vision 2025 community goals as well as goals being established for the Measure K sales tax proceeds.

As part of its process for developing the budgets for fiscal years 2020-21, the County has projected General Fund discretionary revenue and expenses over a five-year planning horizon.

Projections described herein, including Tables 5, 6, 7 and 8, were generated by County staff to assist with the preparation of the County's biannual budget. Actual results during the projection periods are subject to a number of uncertainties relating to economic activity, population, State and federal expenditures and other factors. Therefore, actual results may differ from such projections, and such differences may be material.

Revenue Growth Projections. The tables below form the basis of the County's General Fund discretionary "revenue growth projections" for the current fiscal year and the following five fiscal years. To better understand these tables, a description of certain revenues of special significance to the County and their impact for budgetary purposes is provided below.

Measure T Revenues. A ballot measure authorizing the County to levy a business license tax on the gross receipts of vehicle rental businesses in the unincorporated area of the County at a rate of two and one-half percent (2.5%), collected on or after July 1, 2012, known as San Mateo County Vehicle Business License Tax, Measure T ("Measure T"), was approved by County voters and took effect July 1, 2012. In fiscal year 2017-18, Measure T resulted in incremental revenues of $11 million, which is expected to increase to $12 million by fiscal year 2022-23. Measure T revenues are considered "ongoing" for purposes of the County's budget planning. See "—Five-Year Revenue and Expenditure Projections" below.

Measure K Revenues. A ballot measure to impose a ten-year countywide half-cent sales tax increase, known as San Mateo County Sales Tax Increase, Measure A ("Measure A"), was approved by County voters and took effect April 1, 2013. In November 2016, the voters passed Measure K, extending the half-cent sales tax for an additional 20 years, through 2043. In fiscal year 2019-20, sales tax revenues from Measure K proceeds were $90 million, and the County projects these tax revenues to increase to $98.9 million by fiscal year 2022-23. Measure K proceeds are used to fund a variety of governmental purposes and projects, although a small portion emanating from the sale of aviation fuel (estimated at $3.5 million) are restricted for airport purposes. Importantly, because Measure K sunsets March 31, 2043, sales tax revenues generated from Measure K are not considered "ongoing" for purposes of the County's budget planning. See "—Five-Year Revenue and Expenditure Projections" below.

Excess ERAF. The County also receives certain property tax revenues known as Excess ERAF (as defined below). In fiscal year 2017-18, Excess ERAF revenues were approximately $115 million. Pursuant to State law, the County, and the cities and special districts within the County, are mandated to shift a portion of their property tax dollars to the local Educational Revenue Augmentation Fund ("ERAF"), which is utilized to pay certain educational funding obligations of the State. The State uses funds from the ERAF to fund local school districts up to their minimum State-guaranteed amounts. For some school districts ("LCFF Districts"), local property taxes are insufficient to fully fund the school district's minimum State-guaranteed local control funding formula ("LCFF") amount, and the State is required to provide the difference which is paid through ERAF monies. School districts that have property taxes equal to or exceeding the State-guaranteed funding amount ("Basic Aid Districts") do not require funds from the ERAF. Pursuant to the State Revenue and Taxation Code, any property tax contributions made by local taxing entities to the ERAF in excess of the amount necessary to fully fund all LCFF Districts in their counties to their State-mandated school funding levels ("Excess ERAF") are returned to the local taxing entities that contributed to the ERAF. Because these distributions may be impacted by future property tax growth, school enrollment, or State legislation reallocating ERAF funds, by Board policy, 50% of ERAF funds are not included in "ongoing revenues" and are only available for "one time" uses. See "—County General Fund Reserves and Reserves Policies" and "—Return of Local Property Taxes – Excess ERAF" below.

This table contains projections of growth rates for the major sources of revenue under in the County's budgeting process. As noted above, actual results may differ from such projections and such differences may be material. These assumed growth projections are further discussed below. [UPDATE TABLE 5]

Table 5
COUNTY OF SAN MATEO
GENERAL FUND DISCRETIONARY REVENUE GROWTH PROJECTIONS
Fiscal Years 2017-18 through 2022-23

	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-2023
Secured Property Tax	7.5%[1]	5.0%	4.0%	4.0%	4.0%	4.0%
Unsecured Property Tax	9.5%	1.0%	1.0%	1.0%	1.0%	1.0%
Excess ERAF (Ongoing Portion)	9.1%	-8.3%	0.0%	0.0%	0.0%	0.0%
Vehicle Rental Tax (Measure T) [2]	-13.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sales Tax	0.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Property Transfer Tax	9.1%	3.0%	3.0%	3.0%	3.0%	3.0%
Transient Occupancy Tax[3]	44.0%	64.1%	39.8%	7.7%	7.3%	6.9%
Property Tax In-Lieu of VLF	7.8%	4.0%	4.0%	4.0%	4.0%	4.0%
Interest & Investment Income	67.7%	5.0%	3.0%	3.0%	3.0%	3.0%
Other Revenue	7.9%	-0.5%	0.3%	0.4%	0.4%	0.4%
Overall Growth	8.18%	2.65%	3.22%	3.04%	3.06%	3.08%
Public Safety Sales Tax (Prop. 172)	2.9%	2.0%	2.0%	2.0%	2.0%	2.0%
Measure K Sales Tax	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

(1) Reflects actual growth.
(2) Drop in Measure T is attributed to alternative transportation (e.g., UBER, LYFT).
(3) Assumes opening of the 350 room Airport Hyatt in 2019.
Source: County.

Error! Unknown document property name.

The following table shows the five-year projected aggregate growth in General Fund discretionary revenues, which aligns with the percent growth projections in the previous table. The assumed projections are discussed below. This table contains projections; actual results may differ from such projections and such differences may be material. [UPDATE TABLE 6]

Table 6
COUNTY OF SAN MATEO
GENERAL FUND DISCRETIONARY REVENUE PROJECTIONS – 5-YEAR PROJECTED GROWTH
Fiscal Year 2017-18 to Fiscal Year 2022-23

	Fiscal Year 2017-18	Fiscal Year 2022-23	5-Year Aggregate Growth
Secured Property Tax	$ 251,046,893	$ 306,772,957	$ 55,726,064
Unsecured Property Tax	10,205,354	10,573,620	$ 368,266
Excess ERAF (Ongoing)[1]	60,000,000	55,000,000	$ (5,000,000)
Vehicle Rental Tax (Measure T)	10,945,852	12,085,105	$ 1,139,253
Sales Tax	24,056,794	26,560,645	$ 2,503,850
Property Transfer Tax	11,007,724	12,760,969	$ 1,753,245
Transient Occupancy Tax	2,307,690	6,546,726	$ 4,239,036
Property Tax In-Lieu of VLF	106,363,690	129,407,692	$ 23,044,002
Interest & Investment Income	18,798,668	21,812,625	$ 3,013,957
Other Revenue	50,744,091	51,201,339	$ 457,248
General Purpose Revenue Growth	$545,476,756	$632,721,678	$87,244,922
Public Safety Sales Tax (Prop. 172)[2]	$ 80,872,048	$ 89,289,276	$ 8,417,228
Measure K Sales Tax	$ 89,602,981	$ 98,928,931	$ 9,325,950
Excess ERAF (One-Time)	$ 68,919,064	$ -	$ (68,919,064)

(1) One-half of anticipated Excess ERAF ($55 million) is budgeted and no assumptions for one-time revenues is made in future years.
(2) Collected by the State and allocated by the State Controller to each qualified county in proportion to its share of the total taxable sales in all qualified counties during the most recent calendar year.
Source: County

These growth assumptions represent an increase in General Fund revenues of $87.2 million over the next five years. Based on the close of the secured tax roll, Secured Property Tax revenues increased 8.0% in fiscal year 2017-18 and are projected to grow 4.0-5.0% through fiscal year 2022-23 for a projected increase of $55.7 million over the five-year period. Sales tax growth is projected to grow at 2.0% through fiscal year 2022-23 for a projected increase of $2.5 million over the five-year period. In addition Property Tax In Lieu of VLF, which grows at the same rate as Secured Property Tax, is projected to grow by $23 million (or 21.6%) over the next five years. Transient Occupancy Tax (TOT) growth projections are increased due to inclusion of the anticipated opening of the 350-room Airport Hyatt in 2019, which is anticipated to add approximately $2.5 million annually and then hold at 2% annually thereafter. Finally, the Proposition 172 Public Safety Sales Tax, which is impacted by both local and statewide sales activity, is projected to grow 2% annually or $8.4 million over the five-year period.

Expenditure Growth Projections. Ongoing discretionary expenditures are expected to grow $115.3 million or 17.4% in the aggregate over the five-year period. Salaries and benefits will account for most of this increase. Net of revenue offsets derived from labor increases, salaries and benefits are expected to grow by $100.8 million from fiscal year 2018-19 to fiscal year 2022-23, largely due to projected labor agreements with many of the bargaining units beginning in the fall of 2018. Furthermore, the County uses a blended 30% offset to account for increased revenues that will result from federal and State funding, including grants, and increased fees and contract revenues. With these offsets, the net impact to the General Fund is projected to grow $70.6 million (or 3.0% per year).

In its expenditure projections, the County factors in 9% annual growth for health benefits, 3% annual growth for dental benefits, and applies the blended retirement contribution rate of 36.02% (the statutory rate for fiscal year 2018-19) for fiscal years 2019-21 through 2022-23. See "Employee Relations and Collective Bargaining" above.

A summary of the increases for projected employee costs is provided in the table below. The following table contains projections; actual results may differ from such projections and such differences may be material. [UPDATE TABLE 7]

Table 7
SUMMARY OF SALARY AND BENEFITS INCREASES
Fiscal Year 2017-18 through 2022-23

Expenditure	Fiscal Year 2017-18 Adopted Budget	Fiscal Year 2022-23 Projected	Five Year Increase	Aggregate Percent Change
Salaries	$584,405,938	$675,192,676	$90,786,738	15.53%
Overtime/Extra Help/Special	62,350,555	74,208,762	11,858,207	19.02%
FICA & Medicare	33,493,000	38,034,527	4,541,527	13.56%
County Retirement Contribution(2)	180,730,103	211,855,069	31,124,966	17.22%
County Retirement Pre-Pay	27,630,129	28,889,962	1,259,833	4.56%
Other Retirement	339,039	362,272	23,233	6.85%
Health & Dental Benefits	105,627,017	145,300,813	39,673,796	37.56%
Worker's Compensation	16,374,107	16,901,816	527,709	3.22%
Other Benefits	19,212,547	17,099,696	(2,112,851)(3)	-11.00%
Total Salaries & Benefits	$1,030,162,435	$1,207,845,594	$177,683,159	17.25%
Claiming Revenue Offset (30%)			$53,304,948	
Net Increase in Salaries and Benefits			$124,378,211	

(1) Excludes overtime, extra help, prepayments to SamCERA and other labor costs.
(2) The percent change in the County's Retirement Contribution is below projected salary increases based on a statutory rate of 36.02% in fiscal year 2018-19. Despite, as described below, the County's plan to pay down its unfunded pension liability, the statutory rate of 36.02% is used for projection purposes in fiscal years 2018-19 through 2022-23.
(3) Reflects reduction in wellness dividend.
Source: County.

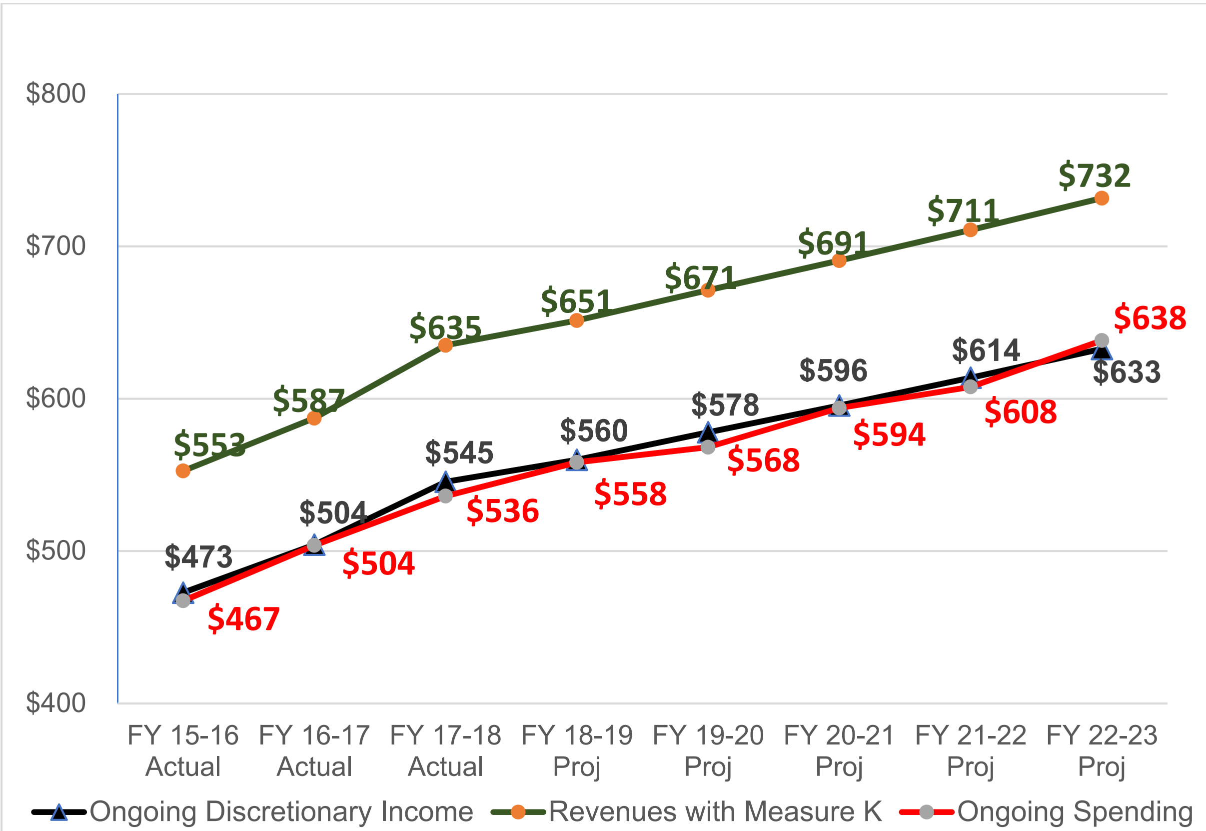
In August 2013, the Board adopted a plan to pay down the County's unfunded pension liability, beginning with a $50 million contribution in fiscal year 2013-14 followed by annual contributions of $10 million through fiscal year 2022-23. The plan also includes funding the retirement system at a rate of 37% even as the statutory rate declines, as further described in "—Retirement Program—County's Required Contributions" below. These contributions, though ten years in duration, are considered one-time in nature and will be made from Excess ERAF revenues.

Five-Year Revenue and Expenditure Projections. The following table illustrates that, given the assumptions above, ongoing spending will exceed ongoing discretionary income through fiscal year 2022-23. As described below, ongoing discretionary revenue, for County budget planning purposes, do not include Measure K sales tax revenues which are expected to generate between $91.3 and $98.9 million each year over the next five years. If Measure K revenues are included in discretionary revenue, then such revenues would exceed expenditures by approximately $93.2 million in fiscal year 2022-23. However, the ongoing spending projections in the table also do not include the additional spending that will result from the allocation of Measure K revenues in discretionary revenue. In 2018, the Board approved the use of $193.8 million of Measure K Sales Tax proceeds, including $105 million in prior year rollovers, for a variety of countywide projects. Also not included in the discretionary revenue projections are the remaining 50% of Excess ERAF moneys, which are currently being allocated for one-time purposes. See "County General Fund Reserves and Reserves Policies" below.

As described above under "Health Related Services – Health System Challenges" the projections below do not include the impact of potential revenue shortfalls of the Medical Center.

The following table contains projections; actual results may differ from such projections and such differences may be material.

Table 8
COUNTY OF SAN MATEO
GENERAL FUND DISCRETIONARY REVENUE AND EXPENDITURE PROJECTIONS(1)
Fiscal Years 2015-16 through 2022-23
($ in Millions)[UPDATE]



Source: County.

County 5-Year Capital Improvement Plan (including Information Technology)

[UPDATE] The County of San Mateo's Five-Year Capital Improvement Plan (CIP) is a planning tool that identifies both the short- and long-term capital improvement and information technology needs of the County. The first two fiscal years of the CIP consist of the planned expenditures for fiscal years 2017-18 and 2018-19. The projected expenditures shown for the remaining three fiscal years (fiscal years 2019-20 through 2021-22) are included primarily for project planning purposes and do not necessarily reflect a commitment of funds. Capital appropriations and priorities are set for each two-year budget cycle. Recognizing the dynamic environment in which the County operates, the plan is expected to change from year to year, as needs and funding sources change and evolve.

The CIP details capital projects from the following County departments: the Project Development Unit (PDU), the Department of Public Works (DPW), the Parks Department, and the Information Services Department (ISD). The following table reflects the current understanding of the funding sources for projects included in the CIP.

Table 9
COUNTY OF SAN MATEO
5-YEAR CAPITAL IMPROVEMENT PLAN

Funding Source	FY 2017-18 Adopted	FY 2018-19 Recommended	FY 2019-22 Projected	5-Year Projected Funding
General Fund	$128,064,459	$ 50,116,817	$138,339,300	$316,520,576
Measure K	60,625,324	9,000,000	68,682,895	138,308,219
Accumulated Capital Outlay Fund	10,900,000	45,400,000	19,400,000	75,700,000
Bonds[(1)]	8,815,312	86,500,000	176,470,000	271,785,312
Other Funding Sources	2,212,660	0	5,600,000	7,812,660
Proposition 172	6,300,000	4,400,000	500,000	11,200,000
Departmental	6,464,000	3,775,000	800,000	11,039,000
Parks Fund	149,729	0	0	149,729
Facility Surcharge	568,277	1,000,000	0	1.568.277
Future Recommended Capital Program Funding (Facilities)	0	0	18,000,000	18,000,000
TOTAL	$224,099,761	$200,191,817	$427,792,195	$852,083,773

(1) Includes 2021A Bonds. See "COUNTY FINANCIAL INFORMATION – Indebtedness – Anticipated Financings" below.
Source: County.

County General Fund Reserves and Reserves Policies

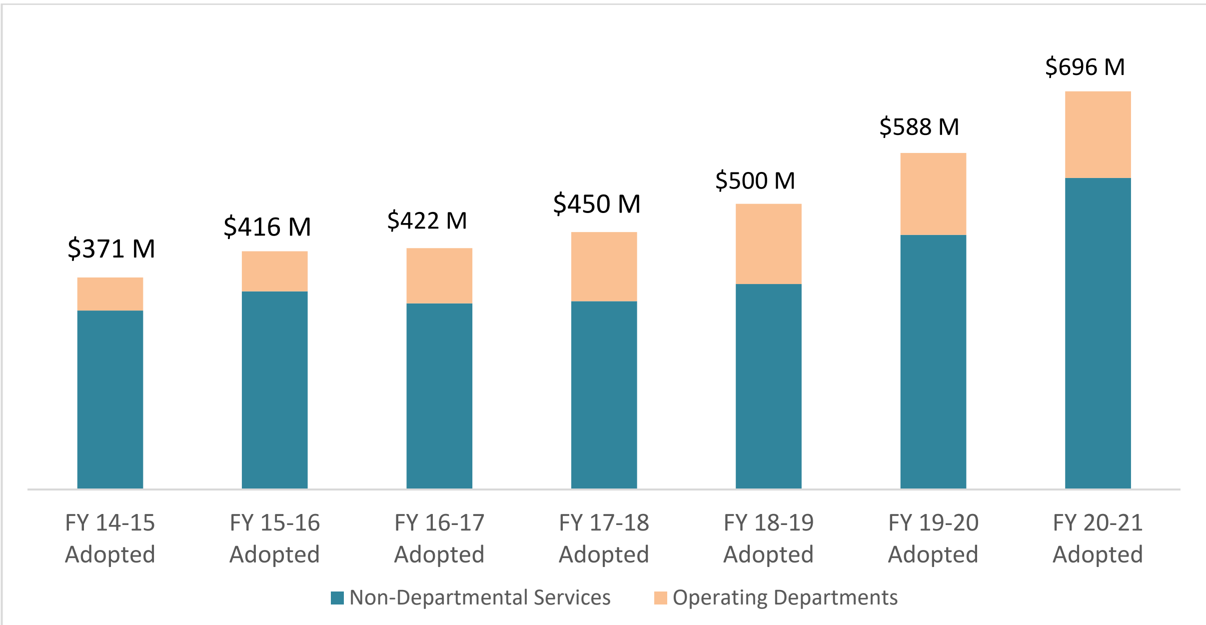
The Board approved the original County Reserves Policy in April 1999, which was revised most recently in June 2012 (the "Reserves Policy"). The County's fiscal officers initiated the creation of the Reserves Policy to reduce the negative fiscal impacts on the County during times of economic uncertainty and potential funding losses from other governmental agencies.

The Reserves Policy establishes a minimum General Fund reserves requirement of 10%, as follows: General Fund operating departments (2%), a General Reserve (5%), and General Fund Appropriation for Contingencies (3%). In addition, the Reserves Policy requires that the County set aside reserves for Countywide Capital Improvements ($2 million) and Countywide Automation Projects ($2 million), and provides guidelines for the use of these funds.

Pursuant to the Reserves Policy, departments shall maintain reserves of at least 2% of Net Appropriations to be used only for the following: (i) one-time emergencies, (ii) unanticipated mid-year losses of funding, (iii) short-term coverage of costs associated with unanticipated caseload increases, and (iv) short-term coverage of costs to avoid employee lay-offs provided there is a long-term financial plan to attain a structurally balanced budget. The General Fund Appropriation for Contingencies is available for one-time emergencies and economic uncertainties. The General Reserve of 5% is available for any lawful purpose. In fiscal year 2018-19, the appropriated General Fund Reserves and Contingencies of $283.8 million (or 16.9% of Net Appropriations) exceed the Reserves Policy's minimum reserves requirements of 10%.

The following table presents the General Fund balance at the beginning of each of fiscal years identified in the table.

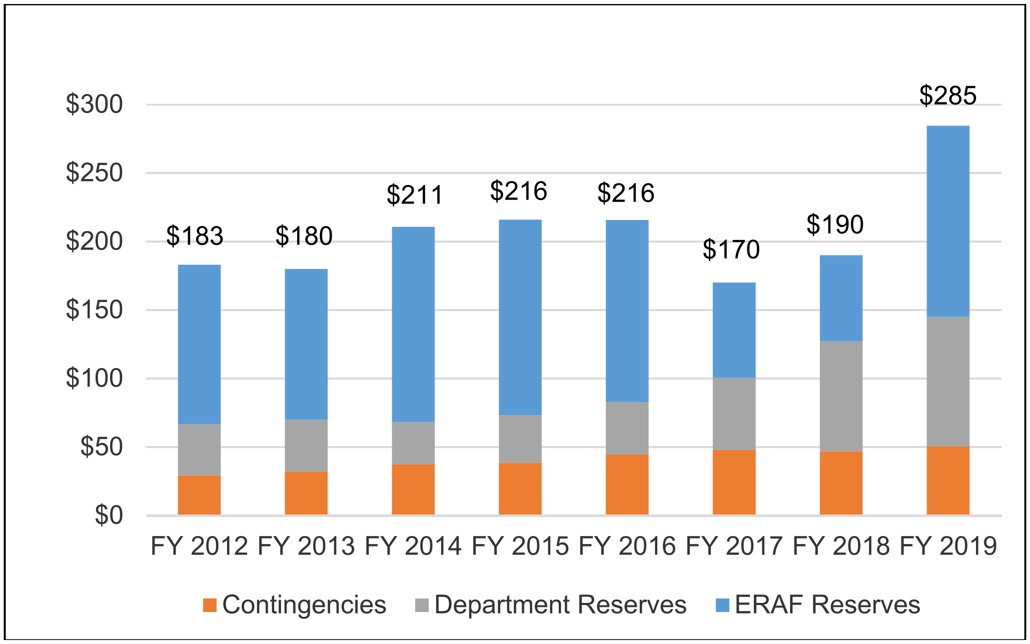
Table 10
COUNTY OF SAN MATEO
BEGINNING GENERAL FUND BALANCES
Fiscal Years 2014-15 through 2020-21
($ in Millions)



Source: County.

The following table represents appropriated General Fund contingencies and reserves, including Excess ERAF, for the fiscal years listed in the table. The County has historically appropriated 50% of Excess ERAF, which has the effect of lowering appropriated reserves. The difference between General Fund balance in the table above (Table 10) and the appropriated balance shown below represents an expenditure of reserves for one-time purposes.

Table 11
COUNTY OF SAN MATEO
GENERAL FUND CONTINGENCIES AND RESERVES
Fiscal Years 2011-12 through 2018-19
($ in Millions) [UPDATE]



Source: County.

On January 31, 2012, the Board authorized the use of 50% of future Excess ERAF proceeds for ongoing purposes; the rest can only be used for one-time purposes as described in the Reserves Policy. The table below describes the "one-time" use of Excess ERAF proceeds during recent years.

Table 12
COUNTY OF SAN MATEO
"ONE-TIME" USE OF EXCESS ERAF
Fiscal Years 2010-11 through 2019-20 [UPDATE]

Fiscal Year	Amount ($ in Millions)	Use
2010-11	56.7	Purchase two office buildings and a parking garage for County use ($40 million) – which the County later sold for $87 million – and the acquisition of the Maple Street Correction Center site ($16.7 million)
2012-13	61.0	Contribution to Pension UAAL ($50 million); Jail planning, architecture and site preparation relating to the Maple Street Correctional Center and the 2014 Project Site ($11 million)
2014-15	46.3	Build-out of Warm Shell for Maple Street Correctional Center ($25.6 million); Contribution to Pension UAAL ($10.0 million); acquisition of 2700 Middlefield Road, Redwood City for affordable housing ($10.7 million)
2015-16	30.4	Contribution to Pension UAAL ($19.5 million); contribution to Half Moon Bay for new library ($6 million); start-up loans to Peninsula Clean Energy ($3 million); acquisition of 3060-3080 Middlefield Road, Redwood City for public parking ($1.9 million)
2016-17	51.5	Contribution to Pension UAAL ($33.6 million); acquisition of Coastside Clinic ($9.5 million); contribution to County Events Center for paving project ($3.6 million); contribution to County Airports Enterprise Fund for capital improvements ($2.8 million); contribution to Enhanced Flood Control Zone ($2 million)
2017-18	42.7	Contribution to Pension UAAL ($27.6 million); contribution to Half Moon Bay for new library ($5.7 million); loan to Half Moon Bay for new library ($5.7 million); contribution to Enhanced Flood Control Zone ($2 million); loan to Brisbane for new library ($1.7 million)
2018-19	25.6	Contribution to Pension UAAL.
2019-20		

Source: County.

State Funding

Overview. California counties administer numerous health and social service programs as the administrative agent of the State and pursuant to State law. Many of these programs have been either wholly or partially funded with State revenues which have been subject each year to the State budget and appropriation process. Over the last several years, State and federally mandated expenditures in justice, health and welfare have grown at a greater rate than the County's discretionary general-purpose revenues.

The County is dependent upon the State for a significant portion of its revenues. In fiscal year 2018-19, State aid accounts for approximately 7.1% of General Fund revenues, and total State revenues (including State aid and other State revenues) account for approximately 25.2% of General Fund revenues. See "2018-19 County Budget" above.

History of State Funding. Over the past twenty-five years, the State budget has experienced broad fluctuations as the State responded to the economic recession of the early 1990's, the economic recovery later in the same decade, the 2001 recession and subsequent recovery, and the 2008 recession and subsequent recovery. With the steady improvement in the State economy since the 2008 recession and the passage of a temporary statewide tax increase, the State has experienced significant improvement to its budget stability and overall financial condition.

The State's budgetary decisions in response to the changing economic environment will continue to have a significant financial and programmatic impact on counties, cities, and other local jurisdictions.

Fiscal Year 1991-92 Realignment Program

In fiscal Year 1991-92, the State and county governments collectively developed a program realignment system (the "1991-92 Realignment Program") that removed State funding for certain health and welfare programs, and provided counties with additional flexibility to administer such programs. Under the 1991-92 Realignment Program, certain health and welfare services are funded by a 0.5% increase in sales taxes and increased vehicle license fees. Since counties receive their share of the funding for health and welfare programs under a fixed formula prescribed by State law, the flow of funds is no longer subject to the State budget process. If sales tax and vehicle license fee revenues are not realized as expected, county governments will still maintain responsibility for the management and cost of such programs.

On June 27, 2013, Governor Brown signed into law AB 85, which provides a mechanism for the State to redirect certain 1991-92 Realignment Program health care funding to social service programs. With California electing to implement a state-run Medicaid expansion pursuant to the Affordable Care Act, the State anticipates that the cost to counties for providing health care services to the indigent population will decrease as this population becomes eligible for coverage through Medi-Cal or the State-run health insurance exchange.

Public Safety Realignment

The approval of the Public Safety Realignment Act of 2011 (AB 109) transferred responsibility for the custody and supervision of specific low-level inmates and parolees from the California Department of Corrections and Rehabilitation to counties. Funding for AB 109 is financed by redirecting 1.0625% of State sales tax revenue and a portion of Vehicle License Fee revenues from the State to the counties. In November 2012, California voters passed Proposition 30, which authorized a constitutional amendment prohibiting the State Legislature from removing AB 109 funding.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30, Pursuant to the State Constitution, the Governor of the State is required to propose a budget for the next fiscal year (the "Governor's Budget") to the State Legislature no later than January 10 of each year. The Governor's Budget is then revised in May and a final budget must be adopted by each house of the State Legislature by no later than June 15. The budget becomes law upon the signature of the Governor.

Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the State Legislature takes up the proposal. Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the State Legislature and signed by the Governor. The Budget Act must be approved by each house of the State Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the State Legislature. Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by each house of the State Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse.

Impact of State Budget. [UPDATE] Total revenues from the State represent approximately 25% of the County General Fund revenues appropriated in the budget for fiscal years 2017-18 and 2018-19, and thus changes in State revenues could have a significant impact on the County's finances. In a typical year, the Governor releases two primary proposed budget documents: (1) the Governor's Proposed Budget required to be submitted in January; and (2) the "May Revision" to the Governor's Proposed Budget. The Governor's Proposed Budget as revised by the May Revision is then considered and typically revised by the State Legislature. Following that process, the State Legislature adopts, and the Governor signs, the State budget. County policy makers review and estimate the impact of both the Governor's Proposed Budget and the May Revision prior to the County adopting its own budget.

On June 27, 2018, Governor Brown signed the California State Budget for Fiscal Year 2018-19 (the "2018 Budget Act"). The 2018 Budget Act projects a beginning fund balance surplus from fiscal year 2017-18 of $8.5 billion, total revenues and transfers of $133.3 billion, total expenditures of $138.7 billion, and a year-end surplus of $3.1 billion for fiscal year 2018-19. Of the projected year-end surplus, approximately $1.2 billion is to be allocated to the Reserve for Liquidation of Encumbrances and approximately $2.0 billion is to be deposited into the Rainy Day Fund, which would bring the balance to $13.77 billion, reaching the Constitutional funding target established under Proposition 2 in 2014.

The 2018 State Budget Act reflects an overall improvement in the State revenue forecast from fiscal year 2016-17 through fiscal year 2018-19, resulting in an increase in total resources available of approximately $6.7 billion over the Governor's Proposed Budget for fiscal year 2018-19. The 2018 Budget Act includes an increase in total expenditures of approximately $7.0 billion over the Governor's Proposed Budget for fiscal year 2018-19 and leaves the State with almost $16 billion in State reserves by the end of 2018-19 to weather the next recession. Key one-times spending priorities included in the 2018-19 Budget Act, include counteracting the effects of poverty and combatting homelessness, mental health services, infrastructure and K-12 education.

The items of major interest to the County in the 2018 Budget Act are summarized below. The estimates provided below are based on information provided by the State to-date. There can be no assurance that these estimates will not change in the future.

- *No Place Like Home.* The 2018 State Budget Act includes a proposal to place a measure on the November 2018 ballot to validate the No Place Like Home Program and accelerate the issuance of bonds to help address the State's housing shortage and expand housing opportunities for individuals with mental illness and who are chronically homeless. If approved by the voters, up to $140 million in Mental Health Services Act funding would be authorized to be diverted in fiscal year 2018-19 to jumpstart the No Place Like Home Program and allow the issuance of up to $2 billion in bonds.

- *Homelessness.* The 2018 State Budget Act includes $609 million of statewide funding for various programs in fiscal year 2018-19 to assist local governments in their immediate efforts to address homelessness. The homelessness package includes $500 million for Homeless Emergency Aid to local governments. This one-time funding is spread over a number of competitive and non-competitive programs focused on funding a variety of homelessness services – such as shelter services, rental assistance outreach, and construction of affordable housing. To date, the County estimates it should receive $7.3 million in formula funding over five different programs. Any additional funds received about this amount are currently unknown and subject to competition for this funding.

- *Children's Mental Health Mandate (AB 3632) Repayment.* The 2018 State Budget Act includes a repayment of approximately $254 million for repealed State mandates related to services provided by counties to seriously emotionally disturbed children (AB 3632). The total estimated repayment due to the County under AB 3632 is approximately $8.4 million.

- *IHSS Administration.* The State Legislature provided an additional $15.4 million in the State General Fund for county IHSS administrative costs in fiscal year 2018-19. This is in addition to the $24 million General Fund increase included in the May Revision that provided funding for both county IHSS administration ($22.5 million) and Public Authority administration ($1.5 million).

- *CalWORKs Single Allocation.* The State Legislature provided an additional $23.5 million in the State General Fund for Single Allocation in fiscal year 2018-19. This is in addition to the $55.8 million in Temporary Assistance for Needy Families (TANF) funding that was included in the May Revision that was partially offset by a reduction for further caseload declines.

- *Medi-Cal County Administration.* The 2018 State Budget Act includes an increase of $54.8 million ($18.5 million in the State General Fund) for Medi-Cal county administration. This amount is based on an adjustment that incorporates the increase in the California Consumer Price Index and similar adjustments will be made in subsequent years. The estimated funding for the County is not available at this time.

- *Medi-Cal County Indigent Savings.* The 2018 State Budget Act projects to spend $18.7 billion ($1.7 billion from the General Fund) on the ACA Optional Expansion population in fiscal year 2018-19. This expansion will be funded in part by a redirection of some of the savings experienced by counties who have responsibility for indigent health care programs. The State is projected to redirect approximately $773 million in fiscal year 2018-19 for this purpose. The County estimates that up to $16.2 million in 1991-92 Realignment Program funding may be redirected from the County to the State.

- *Foster Care Support.* The 2018 State Budget Act includes $34.2 million of statewide funding in fiscal year 2018-19 to support foster youth and their caregivers, including providing caregivers with up to six months of emergency assistance payments pending approval as a resource family; eliminating the backlog of applications and improve the assessment of a child's needed level of care; and training voucher grant awards to former foster youth up to age 26.

- *AB 109 Realignment Funding.* The 2018 State Budget Act estimates a statewide AB 109 Program base allocation to counties of approximately $1.3 billion in fiscal year 2018-19. The estimated base allocation for the County for fiscal year 2017-18 is approximately $16.3 million. The final allocation *to* the County will be determined in the fall of 2018.

- *Voting Systems Upgrade and Replacement.* The 2018 State Budget Act includes a one-time expenditure from the State General Fund of $134.3 million to support voting systems upgrade and replacement. This funding will provide reimbursement to counties by matching county funds spent on voting system replacement activities on a dollar-for-dollar basis, up to the maximum amount of funds allocated for this purpose.

Information about the State budget is regularly available at various State-maintained websites. Text of the State budget may be found at the Department of Finance website, www.dof.ca.gov, under the heading "California Budget." An analysis of the budget is posted by the California Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information on such websites is prepared by the respective State agency maintaining each website and not by the County, and the County takes no responsibility for the continued accuracy of the Internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

Major Revenues [UPDATE]

The County derives its revenues from a variety of sources including *ad valorem* property taxes, sales and use taxes, licenses and permits issued by the County, use of County property and money, aid from federal and State governmental agencies, charges for services provided by the County and other miscellaneous revenues. The approximate percentages of the County's total budgeted "Governmental Funds" revenues are set forth in the following table. "Governmental Funds" include the General Fund of the County. See, "COUNTY FINANCIAL INFORMATION – Financial Statements" for a list of the funds included as "Governmental Funds."

Table 13
COUNTY OF SAN MATEO
SUMMARY OF BUDGETED REVENUE SOURCES
Fiscal Years 2016-17 through 2020-21

	Budgeted 2016-17	Budgeted 2017-18	Budgeted 2018-19	Budgeted 2019-20	Budgeted 2020-21
Taxes:					
Property Taxes[1]	19.42%	20.26%	20.11%		
Excess ERAF[2]	2.73	2.65	2.44		
Sales Taxes[3]	1.34	1.30	1.22		
Measure K Sales Tax[4]	8.81	8.82	8.62		
All Other Taxes	0.74	0.74	0.70		
Intergovernmental Revenues:					
Aid from Federal Agencies	6.09	5.59	5.52		
Aid from State[5]	20.83	25.70	24.88		
Aid from Local Agencies	1.15	1.34	1.26		
Charges for Services	16.97	14.88	13.65		
Interfund Revenue	5.24	4.90	4.53		
Licenses, Permits and Franchises	0.49	0.48	0.47		
Fines, Forfeitures and Penalties	0.47	0.36	0.33		
Use of Money and Property	0.78	0.86	0.98		
Miscellaneous Revenue	2.02	2.25	1.99		
Other Financing Sources	12.90	9.88	13.30		
Total Revenue	100.00%	100.00%	100.00%		

(1) Property Taxes include Secured, Unsecured, Supplementals and In-Lieu VLF amounts. See "—VLF Property Swap"
(2) Only includes 50% of the projected General Fund apportionment of Excess ERAF. See "—County General Fund Reserves and Reserves Policies" above and "—Return of Local Property Taxes – Excess ERAF" below.
(3) Sales Tax includes Sales and Use Taxes and In-Lieu Sales & Use Tax Revenue.
(4) Measure K sunsets on March 31, 2043.
(5) Includes realignment revenues. See "State Funding" above.
Source: County Controller.

Ad Valorem Property Taxes [UPDATE]

Taxes are levied each fiscal year on real and personal property situated in the County based on the assessed value of the preceding January 1 lien update. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and real property having a tax lien which is sufficient to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty is attached. In addition, properties on the secured roll that remain delinquent as of June 30 are considered to be in default. Such property taxes may thereafter be repaid by payment of the delinquent taxes and the delinquency penalty, plus an additional penalty of 1.5% per month up to the time of repayment. If taxes remain unpaid for a period of five years or more the property is subject to sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid on August 31. A 10% penalty is attached to delinquent taxes on the unsecured roll and an additional penalty of 1.5% per month begins to accrue on November 1. The County has the following four ways of collecting unsecured personal property taxes: (i) filing a civil action against the taxpayer; (ii) filing a certificate in the office of the County Clerk-

Recorder specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for recording in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling of personal property, improvements or possessory interests belonging or assessed to the assessee.

In addition to the secured and unsecured rolls, taxes are levied on the supplemental roll, which captures increases and decreases in assessed values that happen during the year. The increases generally come from completion of new construction or changes in ownership which trigger reassessment. The due date of a supplemental bill is based on the date it is mailed and penalties are applied accordingly. Once a supplemental bill is considered delinquent it remains on the current roll for an additional fiscal year, after which it is transferred to the appropriate delinquent roll based on whether the supplemental bill was based on a secured or unsecured property.

As a relief from these taxes, State law allows exemptions from ad valorem property taxation of $7,000 of full value of owner occupied dwellings. However, the State reimburses all local taxing authorities for the loss of revenues imputed on these exemptions. The State Constitution and various statutes provide exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, tax-exempt nonprofit hospitals and tax-exempt charitable institutions.

The following three tables set forth certain information regarding County property tax collections. These property tax shares do not include property tax allocations from the RPTTF residual of the former RDAs. See "—Redevelopment Agencies (RDAs)" below.

Table 14
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS
SECURED PROPERTY TAX ROLL
Fiscal Years 2009-10 through 2019-20

Fiscal Year	General Fund Secured Levy at June 30[1]	Amount of Current Levy Uncollected at June 30	Percent Current Levy Delinquent at June 30	Total Non-Current Levy Collections[2]
2009-10	$177,454,751	$3,886,259	2.19%	$36,181,418
2010-11	176,406,635	2,504,974	1.42	34,098,966
2011-12	176,571,467	1,977,600	1.12	23,983,232
2012-13	175,093,889	1,418,260	0.81	18,006,202
2013-14	184,064,188	1,196,417	0.65	15,686,002
2014-15	194,901,610	1,188,900	0.61	12,524,976
2015-16	209,808,644	1,195,909	0.57	12,054,488
2016-17	225,507,622	1,353,046	0.60	10,610,665
2017-18	241,687,453	1,377,619	0.57	10,874,781
2018-19				
2019-20				

(1) Portion of the 1% levy expected to be directly allocated to the County General Fund net of the ERAF shift.
(2) Includes outstanding current and prior years' redemptions, penalties and interest due to the County. See "—The Teeter Plan" herein.
Source: County Controller.

Table 15
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS
UNSECURED PROPERTY TAX ROLL
Fiscal Years 2009-10 through 2019-20

Fiscal Year	Unsecured Property Levy at June 30[(1)]	Total Current and Non-Current Levy Collections[(2)]	Percentage of Total Collections to Original Levy
2009-10	$11,102,420	$9,950,214	89.6%
2010-11	8,857,596	8,537,093	96.4
2011-12	9,050,050	7,320,649	80.9
2012-13	8,893,859	8,511,465	95.7
2013-14	9,156,888	8,486,850	92.7
2014-15	9,233,592	8,922,558	96.6
2015-16	9,654,954	9,313,392	96.4
2016-17	9,583,357	9,070,178	94.7
2017-18	10,444,218	10,205,354	97.7
2018-19			
2019-20			

(1) Portion of the 1% levy expected to be directly allocated to the County General Fund net of the ERAF shift.
(2) Includes outstanding current and prior years' redemptions, penalties and interest due to the County. See "—The Teeter Plan" herein.
Source: County Controller.

Table 16
COUNTY OF SAN MATEO
SUMMARY OF TAX LEVIES AND COLLECTIONS
SUPPLEMENTAL ROLL
Fiscal Years 2009-10 through 2019-20

Fiscal Year	Supplemental Roll Tax Change (Net) [(1)]	Total Collections at June 30 [(2)]	Percentage of Total Collections to Current Charge
2009-10	$6,532,771	$4,663,007	71.4%
2010-11	5,154,158	3,705,805	71.9
2011-12	5,326,311	4,145,402	77.8
2012-13	6,713,008	5,370,134	80.0
2013-14	10,440,152	8,092,088	77.5
2014-15	9,762,897	6,900,973	70.7
2015-16	11,690,929	9,004,529	77.0
2016-17	12,871,216	9,259,927	71.9
2017-18	12,620,204	8,939,671	70.8
2018-19			
2019-20			

(1) Portion of the 1% levy expected to be directly allocated to the County General Fund.
(2) Includes outstanding current and prior years' redemptions, penalties and interest due to the County. See "—The Teeter Plan" herein.
Source: County Controller.

Redevelopment Agencies (RDAs)

Prior to 2012, California Community Redevelopment Law authorized redevelopment agencies to issue bonds payable from the tax increment resulting from increases in assessed valuation of properties within designated project areas. In effect, local taxing authorities such as the County realized property tax revenues only on the frozen base year assessed valuations within these project area, and not on any subsequent increases in value.

Effective February 1, 2012, and pursuant to Assembly Bill x1 26 ("ABx1 26"), redevelopment agencies throughout the State were abolished and prohibited from engaging in future redevelopment activities. ABx1 26 requires successor agencies to take over from the former redevelopment agencies and perform the following functions:

- Continue making payments on existing legal obligations without incurring any additional debt.

- Wind down the affairs of the former redevelopment agencies and return the funds of liquidated assets to the county Auditor-Controller, who will in turn distribute these funds to the appropriate local taxing entities.

Under ABx1 26, the property tax increment, which was previously distributed to redevelopment agencies, is now utilized to pay enforceable legal obligations, pass-through payments and eligible administrative costs. Any remaining tax increment, otherwise known as "residual," is to be distributed as property tax revenue to the appropriate local taxing entities, including the County. This has increased the County's property tax revenues over time available for discretionary purposes.

Assessed Valuations [UPDATE]

General. The assessed valuation of property in the County is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization ("SBOE"). Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIII A of the State Constitution ("Article XIIIA"), except as provided therein.

The following table sets forth information relating to the assessed valuation of property in the County subject to taxation.

Table 17
COUNTY OF SAN MATEO
SECURED ROLL ASSESSED VALUATION
Fiscal Years 2016-17 through 2020-21
($ in Thousands)

Fiscal Year	Land	Improvements	Personal Property	Exemption	Net Total	% Change from Prior Fiscal Year
2016-17	$89,508,926	$94,312,557	$1,967,801	$4,500,922	$181,288,362	7.8%
2017-18	96,886,862	100,754,994	2,128,420	4,561,573	195,208,703	7.7
2018-19	104,714,300	109,264,409	2,529,355	5,296,415	211,211,649	8.2
2019-20						
2020-21						

Source: County Controller.

Approximately 62.9% of the County's assessed valuation is based on single family residences based on 2018-19 assessed valuations. Set forth below is the per-parcel assessed valuation of single family residences:

Table 18
COUNTY OF SAN MATEO
Per Parcel 2020-21 Assessed Valuation of Single Family Homes

	No. of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single-Family Residential		$	$	$

2018-19 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999						
$100,000 - $199,999						
$200,000 - $299,999						
$300,000 - $399,999						
$400,000 - $499,999						
$500,000 - $599,999						
$600,000 - $699,999						
$700,000 - $799,999						
$800,000 - $899,999						
$900,000 - $999,999						
$1,000,000 - $1,099,999						
$1,100,000 - $1,199,999						
$1,200,000 - $1,299,999						
$1,300,000 - $1,399,999						
$1,400,000 - $1,499,999						
$1,500,000 - $1,599,999						
$1,600,000 - $1,699,999						
$1,700,000 - $1,799,999						
$1,800,000 - $1,899,999						
$1,900,000 - $1,999,999						
$2,000,000 and greater						

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Appeals to Assessed Valuation. Under the California Constitution, property owners may protest the assessed value of their property to the County Assessment Appeals Board (the "AAB"). The AAB has jurisdiction to determine a property's assessed valuation and may raise or lower a property's assessed valuation, thereby affecting the amount of property taxes payable by the property owner for the tax year in question as well as future tax years. Annually, the County evaluates the protests filed by property owners and maintains, adequate reserves to fund significant tax refunds in the event of a successful protest.

Appeals may be also based on Proposition 8, the 1978 voter approved amendment to Article XIIIA of the State Constitution, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Pursuant to State law, a property owner may apply for a temporary reduction of the property tax assessment for such owner's property, or the County Assessor may initiate Proposition 8 reductions in assessed value, independent of any individual property owner's appeal.

As described under "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES—Property Tax Rate Limitations – Article XIIIA," the full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors.

[Assessment appeals granted typically result in refunds, and the level of refund activity depends on the unique economic circumstances of each fiscal year. Property tax refunds (whether the result of AAB decisions or Assessor-initiated roll corrections) are listed in the following table for the fiscal years identified. Other taxing agencies such as cities, special districts, and school districts share proportionately in the revenues needed to pay such refunds. The County's share (General Fund only) of such refunds varies from year to year. Of the $____ million in total refunds for fiscal year 2019-20, the County's share was approximately $____ million (or approximately ____%).

Table 19
COUNTY OF SAN MATEO
REFUNDS OF PROPERTY TAXES

Fiscal Year	Amount Refunded From All Taxing Entities in County
2011-12	$ 42,025,531
2013-14	33,204,978
2014-15	22,892,133
2015-16	16,385,955
2016-17	11,319,911
2017-18	10,643,109
2018-19	
2019-20	

Source: County Controller.

As of September 12, 2018, the total number of open appeals before the AAB, including appeals for all prior tax years, was 1,076. The difference between the current assessed values and the taxpayers' opinion of values for the open AAB appeals is approximately $24.4 billion. Assuming the County did not contest any taxpayer appeals and the AAB upheld all of the taxpayers' requests, the negative potential property tax impact to all taxing entities would be approximately $244 million of which approximately 12% (or $29.3 million) would be allocable to the County General Fund. However, the County anticipates that the actual impact will be significantly less. Further, to the extent that any assessment appeals are pursuant to Proposition 8 (temporary one-year adjustments), such assessed valuations are subject to upward revision in future years based upon increased market value. The volume of appeals is not necessarily an indication of how many appeals will be granted, nor of the magnitude of the reduction in assessed valuation that the County Assessor or Assessment Appeals Board may ultimately grant. County revenue estimates take into account projected losses from pending and future assessment appeals.

See also "—Principal Taxpayers—Genentech Tax Settlement" and "—Pending Genentech Property Tax Assessment Appeals" below.

Taxation of State-Assessed Utility Property. The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the SBOE and taxed locally. Property valued by the SBOE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Unitary, operating nonunitary, and regulated railway properties are taxed at special county-wide rates and distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year. In fiscal year 2017-18, 0.9040% of the County's total net assessed valuation constituted these types of properties subject to State assessment by the SBOE, for which approximately $18.9 million of 1% general property taxes were collected in fiscal year 2017-18. The portion of these tax collections attributable to the General Fund was $3.6 million.

Principal Taxpayers

General. [UPDATE]The County's employer base is diverse and there is no concentration of employees in any one company or industry. In fiscal year 2017-18, the top ten property taxpayers only accounted for approximately

5.25% of the total assessed valuation in the County and the top taxpayer accounts for approximately 1.14% of the total assessed valuation in the County. Table 20 shows the ten largest taxpayers in the County, as shown on the 2017-18 locally assessed tax rolls based on the January 1, 2017 lien date, and the approximate amounts of their total assessed values. Table 21 shows the secured and unsecured taxes payable by the ten largest taxpayers in fiscal year 2017-18. Approximately 14% of these tax revenues are received by the County. [UPDATE TABLE 20]

Table 20
COUNTY OF SAN MATEO
TEN LARGEST TAXPAYERS
2019-20 ASSESSED VALUES
SECURED AND UNSECURED ROLLS
($ in Thousands)

Taxpayer	Nature of Business	Taxable Assessed Value[(1)]	% of Total Taxable Assessed Value[(2)]

(1) Assessed valuation on the locally assessed rolls as of January 1, 2017.
(2) Total taxable assessed value on the locally assessed rolls as of January 1, 2017, was approximately $165 billion. This amount is subject to pending appeals. See "Pending Genentech Property Tax Assessment Appeals" below.
Source: County Assessor.

Table 21
COUNTY OF SAN MATEO
TEN LARGEST TAXPAYERS
TAXES PAYABLE(1)
Fiscal Year 2019-20

Taxpayer	Total
TOTAL	$

(1) Based on secured and unsecured properties. Utilities not included.
Source: County Controller.

Genentech Tax Settlement. [UPDATE] In April 2011, the County settled property tax claims brought by Genentech, Inc. ("Genentech"), the County's largest tax payer, that the company paid excess taxes for the tax years 1990 through 1999 (the "Genentech Settlement"). The original dispute arose when Genentech challenged the methodology used to determine the taxable value of its land, buildings, fixtures and equipment. The allegations included claims for refunds of tax payments and claims asking for revisions to the methods, formulas, and calculations used to determine taxable property categories and values. The Genentech Settlement not only included a resolution of the valuation of the property at issue, but also encompassed a refund due pursuant to a 2008 Court-issued Writ ordering the enrollment of the property values on certain Genentech assessment appeal applications for tax years 1994 to 1999. The County agreed to credit Genentech with $26.5 million in property taxes plus interest over the next six years. The County credited $1.1 million in fiscal year 2010-11, $7.0 million in fiscal year 2011-12, $5.9 million in fiscal year 2012-13, and $3.1 million in each of the fiscal years 2013-14 through 2016-17.

Pending Genentech Property Tax Assessment Appeals. There are also currently outstanding appeals brought by Genentech with respect to the assessed values of its property for tax years 2000 through 2005. Genentech's appeal applications routinely claim a 50% reduction in the value of its properties as assessed by the County. In considering the Genentech assessment appeals, the AAB has determined that for several appeals for tax year 2003, Genentech is entitled to have its application values applied. Depending upon interest and the precise calculations used to determine the reduction of assessed value, the total refund and interest at issue for those 2003 tax year appeals is currently estimated to be between $5 million and $7 million. There are currently two lawsuits challenging the AAB's decision. The Assessor filed a Writ of Mandate which was decided in the Assessor's favor on May 4, 2018. The Court remanded the matter to the AAB with instructions to increase certain costs included in Genentech's assessment by approximately $500 million. In August 2018, Genentech appealed the Superior Court's decision. A decision on Genentech's appeal is not expected for at least 18 months. In February 2018, Genentech also filed an action for refund challenging the remaining portion of the AAB decision. That matter is set for trial in February 2019. Presently, the value of Genentech's claims in that suit is unclear, but if Genentech prevails, then a refund of $6.7 million or more may be due.

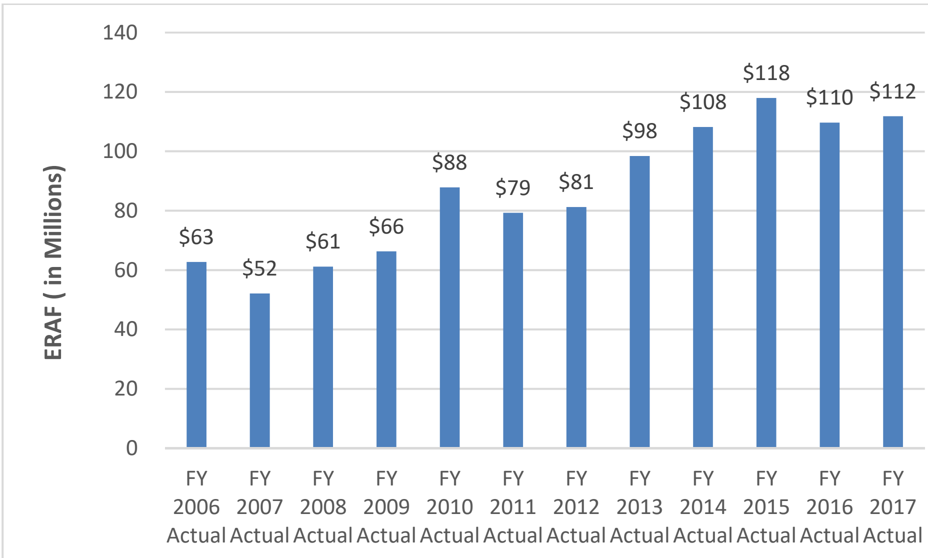
Return of Local Property Taxes – Excess ERAF

[UPDATE] Pursuant to the State Revenue and Taxation Code, Excess ERAF is returned to contributing local taxing entities in proportion to their initial contributions to the local ERAF. The County is one of the few "Excess ERAF" counties in the State. This is due to the relatively high number of Basic Aid Districts in the County and the relatively high property tax revenues received by County school districts. The amount of Excess ERAF annually distributed to the County and other affected taxing entities may be impacted from year to year by property tax revenues received by school districts, changes in school enrollment, implementation of the LCFF (as defined above) or State legislation attempting to utilize ERAF funds for other State purposes.

Due to the potential volatility of Excess ERAF, the County continues to conservatively budget only 50% of the projected General Fund apportionment of Excess ERAF for ongoing purposes. Pursuant to Board policy, the remaining 50% of Excess ERAF may only be used for one-time purposes, including reductions in unfunded liabilities, capital and technology payments, productivity enhancements, and cost avoidance projects. For further information describing the County's budgeting and receipt of Excess ERAF payments, see "—County General Fund Reserves and Reserves Policies" above. See also "COUNTY FINANCIAL INFORMATION—State Funding—Impact of State Budget" herein.

The following table presents the County's share of Excess ERAF payments received for the fiscal years identified in the table.

Table 22
COUNTY OF SAN MATEO
SHARE OF EXCESS ERAF PAYMENTS
Fiscal Years 2005-06 to 2016-17



Source: County.

VLF Property Swap

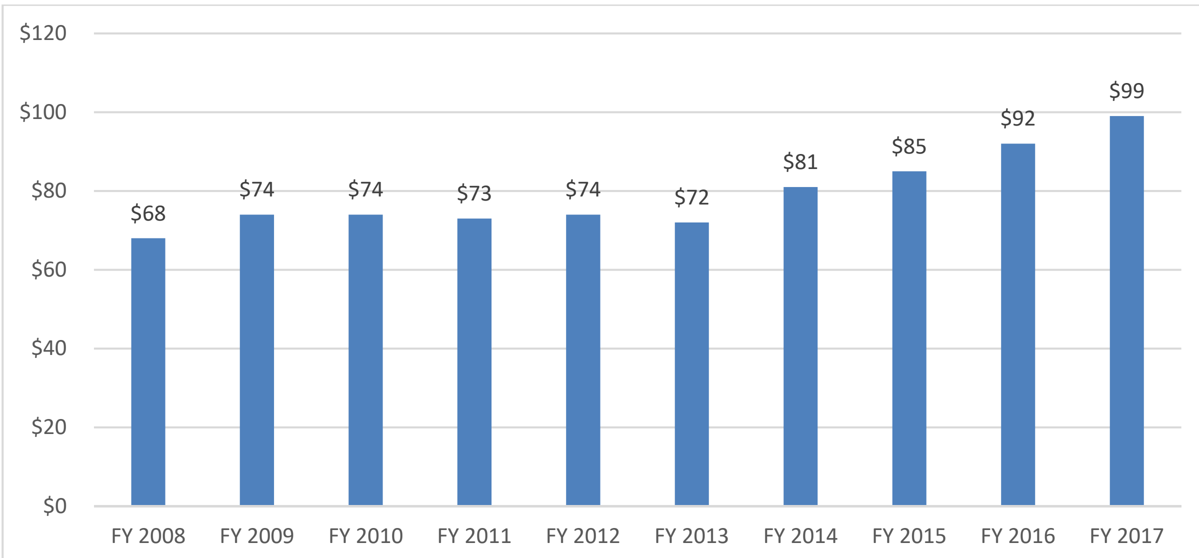
In 2004, Senate Bill 1096 ("SB 1096") mandated a revenue shift whereby certain sales and use taxes and Vehicle License Fees (VLF) moneys that were previously distributed to local government entities would instead be diverted to the State for its purposes or otherwise eliminated. In exchange, the State would replace the local governmental entities' lost revenues with an "In-Lieu VLF" amount. Each year, the In-Lieu VLF amounts to be paid to local taxing entities is taken from the ERAF monies that would otherwise be transferred to LCFF Districts and, if necessary, from LCFF Districts' local property taxes. No funds can be taken from Basic Aid Districts. These revenue shifts became known as the "VLF Swap."

As the number of Basic Aid Districts in a county increases, the pool of ERAF and property tax revenues from which the In-Lieu VLF amounts can be paid decreases. As a result, counties that have all, or almost all, Basic Aid Districts may lack sufficient ERAF monies and LCFF District property taxes to pay the In-Lieu VLF amounts, thereby requiring special appropriations from the State Legislature. As the number of Basic Aid Districts increases, the County and cities within the County could potentially face shortfalls in their In-Lieu VLF amounts.

Based upon varying assumptions, the County may experience a shortfall of ERAF and property tax funds available to pay the In-Lieu VLF amounts, beginning in fiscal year 2020-21 and annually thereafter. Such revenue shortfall for the County, if it occurs, could range from $6-24 million per year. Historically, the State has reimbursed counties and other taxing entities for the In-Lieu VLF shortfall via one-time budget appropriations. In the event of future shortfalls, the County will seek reimbursement from the State. The County has not experienced such a shortfall since fiscal year 2013-14 and that shortfall was subsequently reimbursed by the State.

The following table shows the amounts the County has received from In-Lieu VLF amounts for the fiscal years identified in the table.

Table 23
COUNTY OF SAN MATEO
PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES
Fiscal Years 2007-08 through 2016-17
($ in Millions)



Source: County.

The Teeter Plan

In 1993, the Board adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in Section 4701 et seq. of the Revenue and Taxation Code of the State. Generally, the Teeter Plan provides for a tax distribution procedure in which secured roll taxes are distributed to taxing agencies within the County on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided. Pursuant to the Teeter Plan, the County establishes a tax losses reserve fund, and a tax resources fund and each entity levying property taxes in the County may draw on the amount of uncollected taxes and assessments credited to its fund in the same manner as if the amount credited had been collected. The Teeter Plan has resulted in net revenue for the County for each year since its adoption.

The tax losses reserve fund covers losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed in property tax). The appropriate amount in the fund is determined by one of the following two alternatives: (i) an amount not less than 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for entities participating in the Teeter Plan, or (ii) an amount not less than 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for entities participating in the Teeter Plan. The legally required set aside, at the end of fiscal year 2017-18, was approximately $24.7 million, or a minimum of 1.0%, of the total tax levies on secured properties within the tax areas of participating entities.

The County is responsible for determining the amount of the tax levy on each parcel which is entered onto the secured tax roll. Upon completion of the secured tax roll, the County's Controller determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund's credit. Such moneys may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected. The County determines which moneys in the County Treasury (including those credited to the tax losses reserve fund) shall be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year, or for redemption of tax-defaulted property, Teeter Plan moneys are distributed to the apportioned tax resources fund.

Intergovernmental Revenues

[UPDATE] Aid from other governmental agencies is one of the County's largest revenue sources, accounting for approximately $712 million in the 2018-19 County Budget, or approximately 32% of the County's total revenues (all funds). The County derives approximately 30% of its total General Fund revenues from State and federal sources (5.52% federal and 24.88% State). Decreases in revenues received by the State can affect subventions made to the County and other counties in the State. In addition, actions taken by Congress and federal executive branch agencies including, without limitation, reductions in federal spending, could reduce the revenues received by the County. Federal payments are largely derived from Welfare Aid and Medicaid programs. See "THE COUNTY OF SAN MATEO—County Services" above.

State Reimbursement Payments

[UPDATE] In fiscal year 2017-18, approximately $9.9 million, or 18% of the County's total debt service, was attributable to the costs of building the Medical Center. Approximately 46% of the Medical Center related debt service costs were payable from State reimbursements described below. There can be no assurance that the reimbursement rate will not decrease in future years.

Section 14085.5 of the California Welfare and Institutions Code ("Section 14085.5") was adopted by the State Legislature in 1988. Section 14085.5 permits hospitals which contract to provide Medi-Cal in-patient hospital services to receive reimbursement for a portion of the costs of qualified capital projects and directs the State to make supplemental reimbursement payment to those hospitals which meet the requirements set forth therein. The amount of reimbursement for a hospital during any fiscal year is computed through a formula which takes into account debt service for that year on the indebtedness issued to finance any such capital project and the percentage of hospital patient days attributed to Medi-Cal patients. The formula also provides that with respect to at least the State's 50% share of such reimbursements, the percentage of Medi-Cal patient days shall not be reduced below 90% of the initial ratio. The 50% federal share of such reimbursement currently does not contain any such specified floor percentage, and accordingly, may be reduced by a greater proportion should Medi-Cal patient days decline. The County does not presently expect a significant decline in its Medi-Cal patient ratio in the future.

Supplemental reimbursement received under Section 14085.5 is required to be placed by the County in a special account exclusively for debt service with respect to such indebtedness. As with all Medi-Cal payments, the supplemental reimbursements under Section 14085.5 are dependent on the continued existence of the Medi-Cal programs and appropriations for the program through the State budget process. In addition, since approximately 50% of Section 14085.5 funds are derived from federal Medicaid appropriations, discontinuance of such federal reimbursement is not within the control of the State. Eligible costs, moreover, are defined differently under the federal program and do not include the cost of some out-patient service facility costs. Accordingly, there can be no assurance that either the State or federal payments under the provisions of Section 14085.5 will continue.

The Medical Center currently meets the disproportionate share status requirement of Section 14085.5. The statute requires that in order to be eligible to receive funds, a hospital must meet the criteria defining disproportionate share status for the three most recent years for which final data is available. The hospital must also maintain an in-patient service contract under the Selective Provider Contracting Program ("SPCP"). The County believes that the Medical Center has met the disproportionate share criteria through June 30, 2018, and continued disproportionate share eligibility is expected by the County. The Medical Center also maintains an SPCP contract. Therefore, it currently meets the eligibility criteria. However, the Medical Center must continue to maintain disproportionate share status and its Medi-Cal contract in order to receive reimbursement.

Charges for Current Services

[UPDATE] A significant source of revenues is received from charges for current services provided by the County, accounting for approximately $505 million in the 2018-19 County Budget, or approximately 35% of the County's total revenues (all funds). This revenue source is a recoupment of costs for services such as health service fees (including net patient revenue for the Medical Center), recording fees, legal fees, and court and law enforcement fees.

Miscellaneous Other Revenue

General. [UPDATE] Other significant sources of revenue, including the tobacco settlement payments discussed below, are included in the Miscellaneous Other Revenue category, which accounted for approximately $45 million in the 2018-19 County Budget, or approximately 2% of the County's total revenues (all funds).

Tobacco Settlement Payments. On August 5, 1998, the State and participating California counties and cities entered into a Memorandum of Understanding which allocates a portion of tobacco settlement proceeds to the participating counties and cities. On December 9, 1998, the Master Settlement Agreement (the "MSA") between participating States and various tobacco companies received court approval. The Board has allocated most of these funds to the operations of the Medical Center. The County received approximately $7.6 million in fiscal year 2017-18. It is projected that the County's share of settlement payments for fiscal year 2018-19 will be approximately $6.8 million. The continued receipt of these settlement payments depends upon the ability of the tobacco companies to make continued payments under the MSA.

Retirement Program

Plan Description. The San Mateo County Employees' Retirement Association ("SamCERA"), operating under the County Employees Retirement Law of 1937 (the "CERL") and the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), is a cost-sharing multiple-employer defined benefit pension plan established to provide pension benefits for all full-time and part-time permanent employees of the County. The administration, investment and disbursement of funds are under the exclusive control of the Retirement Board (the "Retirement Board"), which is composed of nine individuals, four appointed by the Board, four elected by SamCERA participants, and the County Treasurer. There are two alternate positions elected by their respective participant groups.

County employees fall into one of the following three types of membership: General, Safety or Probation. As of June 30, 2020, the total number of County plan participants (active, retired and deferred) was 12,736.

Both employers and employees pay contributions, with the exception of Plan 3, which does not require member contributions. Plan 3 is contained in the CERL and was closed to new members in December 2012. Plan 3 currently has approximately 56 active members that are either 100% Plan 3 or "split plan" members, with service credit in both Plan 3 and one of the contributory plans.

In general, employee and employer contribution rates are adjusted annually. Although the plan covers other employers, the County is responsible for approximately 96.3% of SamCERA's annual required employer contributions. Most members pay a contribution rate based on their entry age, which is their age when they became a member of SamCERA (for reciprocal members, this may be their entry age in a reciprocal system). In addition to the basic member contribution, certain members pay a "cost share" based upon what plan they are in. The cost share is an additional flat percentage based upon the terms of the applicable bargaining unit memorandum of understanding or management resolution. The County commenced with the elimination of employer pick-ups of employee contributions in November 2014 and completed it in June 2018. Commencing in fiscal year 2015-16, some employee groups began paying 50% of the projected cost for a Cost of Living Adjustment (COLA). All employee groups now pay 50% of the COLA cost except Plan 3, a non-contributory plan which does not provide a COLA.

The PEPRA plan member contribution is not based upon age of entry, but rather a flat contribution rate that is a certain percentage of pensionable compensation. The percentage differs depending on whether the member is a general member, safety member, or probation member. For further information regarding PEPRA, see "California Public Employees' Pension Reform Act" below.

California Public Employees' Pension Reform Act. On September 12, 2012, the Governor signed Assembly Bills 340 and 197, which enacted PEPRA and amended sections of the CERL. Among other things, PEPRA created a new benefit tier for public employees hired on or after January 1, 2013, who are defined as "new members." The PEPRA plans adopted were the 2% at 62 benefit formula for general members and 2.7% at 57 for safety and probation members. PEPRA requires all new members have an initial contribution rate of at least 50% of the normal cost rate or the current contribution rate of similarly situated employees, whichever is greater. The normal contribution rate, as calculated by the retirement system's actuary, covers the cost of a current year of service. PEPRA prohibits employers from paying any contributions on the employees' behalf. PEPRA also limits the types of compensation and caps the total amount of pensionable compensation that can be used to calculate a pension. The County believes that the provisions of PEPRA will help control its pension benefit liabilities in the future.

PEPRA's impact will not be as significant for SamCERA as for many other pension systems because the County had already adopted similar cost cutting steps prior to PEPRA's implementation including: (i) reduced benefit formulas for new hires which required a higher age to receive maximum pension; (ii) reduced the pick-up of the employee share of retirement costs, and required cost sharing for certain formulas since 2003; (iii) excluded certain pay items which can lead to spiking such as in-service vacation and sick leave cash outs; and (iv) instituted a three-year final compensation period for new employees since 1997.

GASB Statement No. 67 and GASB Statement No. 68. On June 25, 2012, the Governmental Accounting Standards Board (GASB) adopted changes in pension accounting and financial reporting standards for state and local governments ("GASB Statement No. 67" and "GASB Statement No. 68"). These changes impact the accounting treatment of pension plans in which state and local governments, like the County, participate. Major changes include: (i) the inclusion of net pension liability on the government's balance sheet (prior to the changes, such net liability was typically disclosed as notes to the government's financial statements); (ii) full pension costs are required to be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates are required to be used for most plans, resulting in increased liabilities and pension expenses; (iv) shorter amortization periods for unfunded liabilities are required to be used, which generally increase pension expenses; and (v) the difference between expected and actual investment returns will be recognized over a five-year smoothing period. GASB Statement No. 67 was implemented by SamCERA with the issuance of SamCERA's financial statements for fiscal year 2013-14, and GASB Statement No. 68 was implemented by the County with the issuance of the County's financial statements for fiscal year 2014-15. See APPENDIX C – "COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2020."

The new GASB pension standards are only applicable to the accounting and reporting for pension benefits in the County's financial statements. Accordingly, there will be no impact on the County's existing statutory obligations and policies to fund the pension benefits.

Pension Benefits. There are five contributory plans for general members and six contributory plans for safety and probation members. The plans have different benefits factors, maximum annual cost of living adjustments, final average compensation periods, final average compensation calculations, eligibility requirements, and contribution rates. Plan membership is for the most part based on date of hire, but plan benefits can be affected by a redeposit, upgrade, membership history with SamCERA or reciprocity. Employees become eligible for membership in the contributory benefit plans on their first day of regular employment and become fully vested after five years of service credit in the benefit plan. The respective benefit formulas are set forth in the following three tables.

Table 24
COUNTY OF SAN MATEO
PENSION PLAN MEMBERSHIP – GENERAL MEMBERS

Date of Hire	Benefit Factor
On or before 8/6/11	2% at age 55.5
8/7/11-12/31/12	2% at age 61.25
On or after 1/1/13 (PEPRA)	2% at age 62

Table 25
COUNTY OF SAN MATEO
PENSION PLAN MEMBERSHIP – SAFETY MEMBERS

Date of Hire	Benefit Factor
On or before 1/7/12	3% at age 50
7/10/11-12/31/12 (Safety Mgmt)	3% at age 55*
1/8/12-12/31/12 (DSA)	3% at age 55
7/10/11-12/31/12	2% at age 50*
On or after 1/1/13 (PEPRA)	2.7% at age 57

Table 26
COUNTY OF SAN MATEO
PENSION PLAN MEMBERSHIP – PROBATION MEMBERS

Date of Hire	Benefit Factor
On or before 7/9/11	3% at age 50
7/10/11-12/31/12	3% at age 55*
7/10/11-12/31/12	2% at age 50*
On or after 1/1/13 (PEPRA)	2.7% at age 57

*Safety Management and Probation members hired between 7/10/11-12/31/12 had an option to choose to participate in Plan 5 (3% @ 55) or Plan 6 (2% @ 50). Reciprocal members hired after 12/31/12 also have the option to choose if they were hired prior to 1/1/13 by the reciprocal system. Safety Deputy Sheriff's Association (DSA) hired between 1/8/12 and 12/31/12 and reciprocal members hired before 1/1/13 can only participate in Plan 5.

Members under the CERL are eligible for a service retirement benefit when they meet one of the following minimum age and service credit requirements:

- At least age 50 with 10 years of service credit.
- 30 years (General members) or 20 years (Safety and Probation members) of service credit, regardless of age.
- At least age 70, regardless of service credit.
- Part-time or seasonal employee at least age 55 with 5 years of service credit and 10 years of county employment.
- A "deferred member" who meets the eligibility for a deferred retirement.
- Plan 3 members must be at least age 55 with 10 years of service credit.

Members under the PEPRA plan are eligible for a service retirement benefit when they meet the following minimum age and service credit requirements:

- For General members, at least age 52 with 5 years of service credit.
- For Safety and Probation members, at least age 50 with 5 years of service credit.

Non-contributory (Plan 3) vesting occurs after 10 years of service credit, and members in such plan may retire at a minimum age of 55. The non-contributory plan benefit uses significantly lower factors for each retirement age and payments are offset by payments from the Social Security Administration.

County's Required Contributions. The County's statutory contribution rate to SamCERA, expressed as a percentage of covered payroll, is comprised of a "normal cost" rate (a rate projected to meet the ongoing costs of employees) and a component to amortize the Unfunded Actuarial Accrued Liability (UAAL). SamCERA receives its actuarial valuation report every year for the purpose of recommending contribution rates for employers (including the County) and members. The actuarial valuation report as of June 30, 2020 was prepared by Milliman Inc. and submitted to the SamCERA board for approval in September 2020. This report can be accessed at www.samcera.org.; such website is not incorporated herein by reference.

Among the actuarial assumptions included in the June 30, 2020 Milliman report are a 2.50% annual inflation rate, a 6.50% annual investment rate of return (lowered from 6.75%), and a 3.00% general wage increase. The assumptions used in the June 30, 2020 actuarial valuation report were used to determine employer and member contribution rates for the fiscal year beginning July 1, 2021.

For fiscal year 2019-20 the County's statutory contribution rate was 38.06%, which was equal to $191 million; for fiscal year 2020-21, the statutory contribution rate is 39.14%, or estimated $200 million. These contribution rates were determined based upon actuarial valuation reports as of June 30, 2019 and June 30, 2020, respectively, using the Entry Age Normal actuarial cost method. These contribution rates do not include the voluntary supplemental payments made by the County to SamCERA pursuant to the Memorandum of Understanding described below.

The actuarial assumptions in the 2020 valuation included a 2.50% annual inflation rate, a 6.50% annual investment rate of return, and a 3.00% general wage increase.

Assuming actuarial assumptions are achieved, including the continuation of voluntary supplemental payments by the County under the Memorandum of Understanding described below, the County contribution rates are projected to decline through the end of fiscal year 2023-24, after which the County's statutory contribution rates are projected to fall below 15% and approximate the "normal cost" thereafter, with slight adjustments due to the recognition each year of the 15-year layering of the UAAL.

Approximately 82% of the contributions to SamCERA are payable from the General Fund.

The annual pension funding contributions are based upon assumptions, including the realization of investment and experiential assumptions currently being utilized by SamCERA's actuaries. There is no assurance that these assumptions will reflect the performance of the SamCERA, nor that any of the actuarial assumptions (such as the mortality rates of employees) will not be changed. Any deviations from these assumptions may result in materially greater liabilities to the County.

The following table presents the County's contributions to SamCERA for fiscal years 2010-11 through 2019-2020 and estimated information for fiscal year 2020-21. These contributions include the supplemental payments made by the County to SamCERA pursuant to the Memorandum of Understanding described below; accordingly, contribution rates reflect a contribution rate in excess of the County's actuarially determined statutory contribution rate.

Table 27
PARTICIPATING EMPLOYER
ACTUARIALLY DETERMINED CONTRIBUTIONS BY COUNTY
($ in Thousands)

Fiscal Year	Annual Pension Cost	% of Annual Pension Cost Contributed[1]
2011-12	$ 150,206	102.6%
2012-13	144,274	103.0
2013-14	202,226	132.8
2014-15	176,828	106.0
2015-16	184,065	111.9
2016-17[1]	192,593	121.1
2017-18	200,589	115.9
2018-19	238,355	113.3
2019-20	191,153	100.0
2020-21[2]	224,755	120.7

(1) Includes County overpayments, including contributions made pursuant to MOU described below expressed as a percentage of County's statutory contribution rate.
(2) Figures are estimated.
Source: County.

Memorandum of Understanding/Supplemental Payments. Following the financial crisis in 2008, the Board, in collaboration with SamCERA, took the uncommon step of making contributions to SamCERA in excess of the required actuarial contributions to accelerate the payment of the UAAL. The County agreed to make $24.5 million of additional contributions to SamCERA in fiscal years 2011-2012 and 2012-13. In August 2013, the County and SamCERA formalized the County's intention to continue this uncommon practice by entering into a Memorandum of Understanding (the "MOU"). Pursuant to the MOU, the County made additional contributions of $50 million in fiscal year 2013-14 and expressed its intention to make $10 million in each of the next nine fiscal years (which it has fulfilled to date). In total, the supplemental payments under the MOU would amount to $164.5 million in excess of the County's actuarially required contributions. In the MOU, the County has also committed to maintain its annual statutory contribution rate at no less than the 38% of payroll, even if the statutory rate is less than 38%. Subsequent to the execution of the MOU, the County and member bargaining groups agreed to shift employer "pick-ups" to employees. This resulted in a shifting of .86% of pay from the employer to the employees.

The County reserves the right to reduce any future supplemental contributions to SamCERA and/or to terminate the MOU at any time.

Funded Status and Funding Progress. Funding progress is measured by a comparison of plan assets set aside to pay plan benefits versus plan liabilities. The actuarial value of assets is based on a five-year smoothed market method. This method spreads the difference between the actual investment return achieved by the investment portfolio of SamCERA and the assumed investment return over a five-year period.

The UAAL as of June 30, 2008 was amortized over a 15-year period ending June 30, 2023. Subsequent changes in the UAAL, including the change in UAAL as of June 30, 2020, will be amortized over new 15-year periods, which is commonly referred to as a 15-year layered amortization and is reflected in the contribution rates for fiscal year 2021-2022.

SamCERA smooths gains and losses over five-year periods with a 20% corridor. Gains and losses falling outside of the 20% corridor are fully recognized in the determination of the actuarial asset value. Actuarial assumptions are routinely adjusted by the Retirement Board based on actual demographic changes and economic conditions.

The following table shows the funding progress of SamCERA based on the actuarial value of assets for the listed actuarial valuation dates. As of June 30, 2020, the most recent actuarial valuation date, the plan was 86.4% funded. The 0.60% increase was due primarily to employer contributions to amortize the UAAL.

Table 28
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUE OF ASSETS
($ in Thousands)

Actuarial Valuation Date (As of June 30)	Actuarial Value of Assets (a)	AAL-Entry Age (b)	UAAL[(1)] (b)-(a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a) / c
2011	$ 2,405,140	$ 3,246,727	$ 841,587	74.1%	$ 427,041	197.07%
2012	2,480,271	3,442,553	926,282	72.0	418,916	229.71
2013	2,618,639	3,572,750	954,111	73.3	404,361	235.96
2014	2,993,187	3,797,042	803,855	78.8	416,274	193.11
2015	3,343,550	4,045,786	702,236	82.6	439,018	159.96
2016	3,624,726	4,362,296	737,570	83.1	472,385	156.14
2017	3,976,717	4,719,850	743,133	84.3	510,132	145.67
2018	4,351,502	4,970,535	619,033	87.5	535,938	115.50
2019	4,685,502	5,459,978	774,476	85.8	554,734	139.61
2020	4,998,316	5,786,054	787,738	86.4	593,295	132.77

(1) The County is responsible for approximately 96.3% of UAAL.
Sources: SamCERA Actuarial Valuation as of June 30, 2020; County.

The actuarial value of assets is different from the fair value of assets, as gains and losses are smoothed over five years. The following table shows the funding progress of SamCERA based on the fair value of SamCERA's assets allocated to retirement benefits for the listed actuarial valuation dates.

Table 29
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FAIR VALUE OF ASSETS[(1)]
($ in Thousands)

Actuarial Valuation (As of June 30)	Fair Value of Assets	AAL	Underfunded (Overfunded) Liability[(2)]	Funded Ratio (Fair Value)[(3)]	Covered Payroll[(4)]	Unfunded Liability as a % of Covered Payroll (Fair Value)[(5)]
2011	$ 2,317,776	$ 3,246,727	$ 928,951	71.4%	$ 427,041	217.5%
2012	2,360,304	3,442,553	1,082,249	68.6	418,916	258.3
2013	2,727,825	3,572,750	844,925	76.4	404,361	209.0
2014	3,291,694	3,797,042	505,348	86.7	416,274	121.4
2015	3,454,476	4,045,786	591,310	85.4	439,018	134.7
2016	3,541,388	4,362,296	820,908	81.2	472,385	173.8
2017	4,038,702	4,719,850	681,148	85.6	510,132	133.5
2018	4,373,962	4,970,535	596,573	88.0	535,938	111.3
2019	4,723,110	5,459,978	736,868	86.5	554,734	132.8
2020	4,780,502	5,786,054	1,005,552	82.6	593,295	169.5

(1) Table includes funding for retirement benefits only. OPEB are not included.
(2) AAL minus fair value of assets. Positive numbers represent a funded ratio less than 100%.
(3) Fair value of assets divided by AAL.
(4) Annual payroll for members of SamCERA.
(5) Unfunded liability divided by covered payroll.
Sources: SamCERA Actuarial Valuation as of June 30, 2020; County.

The County has not issued pension bonds and has no pension related bond indebtedness in addition to the ongoing annual pension costs.

The most recent actuarial valuation of SamCERA (as of June 30, 2020) was issued by Milliman, Inc. in September 2020 and can be accessed at www.samcera.org. Such website is not incorporated herein by reference.

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2017-18 Grand Jury Report. In its July 17, 2018 Report (the "Grand Jury Report"), the San Mateo County Civil Grand Jury reported on the status of the County's pension funding obligation. A copy of the Grand Jury Report can be accessed on the website of the San Mateo County Superior Court at: www.sanmateocourt.org/documents/grand_jury/2017/county_pension.pdf; such website is not incorporated herein by reference.

The Grand Jury Report generally commended the Board and the SamCERA Board of Retirement for actions taken to reduce the County's pension liability. The report cited favorably the County's actions including supplemental contributions to SamCERA under the MOU (as discussed above), limiting salary increases, shifting certain pension costs to employees, and reducing benefit plans for new employees. The report also cited SamCERA's actions, including reducing the assumed rate of investment return on its plan assets, adopting an asset allocation model for its investments that is more diversified and less volatile, and using a relatively short 15-year amortization period to determine the annual contributions needed to pay off the UAAL. The Grand Jury Report made three recommendations directed to the County, including:

1. Continue to implement its MOU with SamCERA to eliminate any UAAL.

2. Keep overall salary increases at or below the actuarial rates assumed by SamCERA.

3. In budgeting for years beyond fiscal year 2022-2023, ensure that the anticipated savings that accrue from eliminating the need to pay down an Unfunded Liability are not irrevocably committed to other budgetary purposes, such as operational or other ongoing expenses.

In its response to the Grand Jury Report recommendations, the Board agreed with the first two recommendations. The County stated in its response to the third: "Although the Board agrees in principle that it is prudent to not commit to increases in ongoing operational costs within the county's control, it is difficult to anticipate where future costs or needs may arise."

The Grand Jury Report had only one recommendation to the SamCERA Board of Retirement, which was to continue to conduct the Triennial Experience Study to address potential demographic changes and continue to conduct annual economic analyses to assess its economic assumptions, including Return on Investment. At its July 24, 2018 meeting, the Board of Retirement stated that the Grand Jury Report recommendation would be implemented. The Board stated that it would continue to have its actuary perform the Triennial Experience Study, in accordance with Government Code Section 31453, and continue to have an actuarial audit performed by its auditing actuary to ensure completeness and soundness of the recommended assumptions contained in the Triennial Experience Study and continue to have an annual valuation performed by its actuary to determine if adjustments are needed. SamCERA's latest Triennial Experience Study for the period covering July 1, 2017 – April 30, 2020 can be accessed at www.samcera.org. Such website is not incorporated herein by reference.

The County believes (and the Grand Jury Report confirmed) that it has one of the most conservative retirement funding structures in the State, with a 6.5% earnings rate assumption (which was used for the 2020 valuation). Additionally, gains and losses outside a 20% corridor are recognized immediately, and gains and losses within the corridor are smoothed over five years. The UAAL as of June 30, 2008, is being amortized over a 15-year period ending June 30, 2023, and future changes in UAAL beginning with the 2009 valuation being amortized over 15-year layered periods. The County implemented lower retirement tiers for new employees in fiscal year 2011-12, and the lower PEPRA tiers and contribution rates were implemented effective January 1, 2013. See "California Public Employees' Pension Reform Act" above. In addition, as of June 30, 2020, the County's retirement plan was 86.4% funded (based on the actuarial value of assets) without the assistance of pension obligation bonds. See "Funded Status and Funding Progress" above.

Investments. SamCERA's investments are managed by independent investment management firms subject to the guidelines and controls specified in its investment policy and contracts approved by the Retirement Board and executed by the Chief Executive Officer of SamCERA. The Retirement Board utilizes third-party institutions as custodians over the plan's assets.

The following table compares SamCERA's target allocations, and the actual allocations as of June 30, 2020.

Table 30
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ASSET ALLOCATION AS A PERCENTAGE OF FAIR VALUE

Asset Class	Target Allocation	June 30, 2020 - Actual
Equity	40.0%	40.0%
Fixed Income	26.0%	31.6%
Alternatives	12.0%	12.0%
Risk Parity	4.0%	0.0%
Inflation Hedge	17.0%	15.0%
Cash	1.0%	1.4%

Sources: County, SamCERA 2020 Valuation.

The following table summarizes the composition and fair value of SamCERA's assets as of June 30, 2020.

Table 31
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MARKET VALUE OF ASSET ALLOCATION

Asset Allocation	Market Value
Equity	$1,866,264,297
Fixed Income	1,434,811,710
Alternatives	593,379,227
Inflation Hedge	704,360,824
Other	181,686,255
Total	$4,780,502,313

Sources: County, SamCERA 2020 Valuation.

Returns. For the past five and ten years ended June 30, 2020, the total plan return has averaged 4.9% and 8.0% per annum, respectively. For the three fiscal years ended June 30, 2018, June 30, 2019 and June 30, 2020 total plan return was 6.7%, 5.4% and -0.2%, respectively. In July 2019, the SamCERA Board of Retirement approved a reduction of the assumed investment rate of return from 6.75% to 6.5% for actuarial purposes.

Additional Information. For additional information concerning SamCERA, see Note 13 to the County's audited financial statements included as APPENDIX C hereto and SamCERA's website at www.samcera.org. Such website is not incorporated herein by reference.

Post-Employment Benefits Other Than Pensions

Plan Description. The County administers a single-employer defined benefit post-employment healthcare plan (the "Retiree Health Plan"). The Retiree Health Plan provides healthcare benefits to members who retire from the County and are eligible to receive a pension from SamCERA. Eligible retirees may elect to continue healthcare coverage in the Retiree Health Plan and convert their sick leave balance at retirement to a County-paid monthly benefit that will partially cover their retiree health premiums. The duration and amount of the County paid benefits depend on the amount of sick leave at retirement, the date of hire, the date of retirement and the bargaining unit to which the retiree belonged. After the County paid benefits expire, the retirees may continue coverage in the Retiree Health Plan at their own expense.

The County prefunds its OPEB obligations through the California Employers' Retiree Benefits Trust ("CERBT"), an irrevocable trust fund established on March 1, 2007 that allows public employers to prefund the future costs of their retiree health insurance benefits and OPEB for their covered employees or retirees. In May 2008, the County elected to participate in CERBT and deposited $145.4 million with CalPERS, the CERBT's administrator, to prefund its

OPEB obligations. The prefunding was intended to reduce and stabilize the County's annual required contribution to the Retiree Health Plan in future years at an expected level for budgeting purposes.

The most recent actuarial valuation of OPEB Benefits for the County (as of June 30, 2019) (the "OPEB Actuarial Report") was prepared by Milliman, Inc. in September 2019, and is attached hereto as APPENDIX G – "GASB 45 REPORT OF POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS AS OF JUNE 30, 2019."

The current funding policy of the County is to contribute the actuarially determined contribution each year. Contribution requirements or amendments for Retiree Health Plan members and the County are established through negotiations with individual bargaining units. As further described below, for fiscal year 2018-19, the County contributed approximately $29.2 million, or approximately 115%, of the actuarially required contributions, to the Retiree Health Plan.

The County contracts with Kaiser and Blue Shield Health Plans to provide health coverage to its actives and pre-Medicare (prior to age 65) retirees. These insurers charge the same premium for actives and retirees without Medicare. Since health care claim costs generally increase with age, retiree health premiums would be significantly higher if they were determined without regard to active employee experience, resulting in a subsidy to the retirees from active employees. Recently promulgated GASB Statement 74, as described below, requires that the portion of the age-adjusted, expected retiree health claims cost that exceed the premium charged to retirees be recognized as a liability for accounting purposes.

The following table sets forth the County's retiree health costs and source of payment for the fiscal years identified in the table. These costs do not reflect the "subsidy" described above.

Table 32
COUNTY OF SAN MATEO
COUNTY RETIREE HEALTH COSTS

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18[(1)]	Fiscal Year 2018-19[(2)]
General Fund	$ 14,054,715	$ 18,580,146	$ 19,463,326	$ 14,395,604	$17,778,452
Other Funds	3,472,285	3,396,854	3,298,674	4,170,396	4,754,141
Total Annual Required Contribution	$ 17,527,000	$ 21,977,000	$ 22,762,000	$ 18,566,000	$22,532,593
Percentage Contributed by General Fund	80.2%	84.5%	85.5%	77.5%	78.9%

(1) The County contributed $1 million in additional contribution in fiscal year 2017-18.
(2) The County contributed $3.9 million in additional contribution in fiscal year 2018-19.
Source: County.

Retiree health care costs are difficult to estimate due to uncertainty of future health care costs. These uncertainties result not only from general medical care inflation, but also due to the integration with Medicare for retirees over age 65. The table below sets forth the County's projected pay-as-you-go costs of providing health care benefits as projected by the County's actuary, including the premium subsidy to retirees for the fiscal years listed. Note that these projections do not reflect any hires after July 1, 2019. The actuarial assumptions used by the actuary in making its projections, include among others, a price inflation factor of 2.75%, a discount rate of 6.73% and health care cost trends (including the impact of the ACA "Cadillac" tax) starting at 6% in 2018-19, all as described in greater detail APPENDIX G. Further the health care cost increases incorporate the assumed imposition of an excise tax on high cost health care coverage, or "Cadillac" health plans, under the ACA. There can be no assurance that actual health care costs will not significantly exceed the actuary's projections.

Table 33
COUNTY OF SAN MATEO
PROJECTED COUNTY RETIREE HEALTH COSTS

Fiscal Year	County Direct Payment	Premium Subsidy	Total Benefit Payments
2019-20	$ 14,276,643	$ 7,149,869	$ 21,426,511
2020-21	15,127,094	8,159,795	23,286,890
2021-22	16,222,925	9,732,817	25,955,741
2022-23	17,073,918	11,180,377	28,254,294
2023-24	18,076,521	12,576,802	30,653,323
2024-25	19,055,596	14,072,223	33,127,820
2025-26	19,608,530	15,576,425	35,184,955
2026-27	20,001,931	17,199,676	37,201,607
2027-28	21,653,227	18,447,577	39,100,804
2028-29	21,366,773	20,044,825	41,411,598
Total	$ 181,463,158	$ 134,140,386	$ 315,603,543

Source: County

Changes in Accounting Standards. The Governmental Accounting Standards Board (GASB) released new accounting standards for public postemployment benefit plans other than pension (OPEB) and participating employers in 2015. These standards, GASB Statements No. 74 and 75, have substantially revised the accounting requirements previously mandated under GASB Statements No. 43 and 45.

The new statements reflect fundamental changes from the prior standards for financial reporting of OPEB. In the new statements, the entire Net OPEB Liability (a measure similar to the previous Unfunded Actuarial Accrued Liability) is on the balance sheet as a liability, replacing the current Net OPEB Asset, which was a significant accounting asset for the County.

Under the new standards, the Annual Required Contribution (ARC) has been eliminated, although the employer is required to report an actuarially determined contribution (ADC), if calculated. GASB gives very little guidance as to how this should be calculated other than to state that it should be calculated based on the Actuarial Standards of Practice.

GASB 74 applies to financial reporting for public OPEB plans and is required to be implemented for plan fiscal years beginning after June 30, 2017. GASB 75 governs the specifics of accounting for public OPEB plan obligations for participating employers that sponsor plans and is required to be implemented for employer fiscal years beginning after June 15, 2018. For this reason, information provided in OPEB Actuarial Report is as of June 30, 2017 for GASB 74, and for June 30, 2018 for GASB 75. This information further is based on a June 30, 2019 measurement date.

Annual OPEB Cost. The County's annual OPEB cost is equal to the annual determined contribution (the "ADC"), an amount actuarially determined in accordance with the parameters of GASB 74 and 75. The ADC is equal to the Service Cost (the portion of the benefit attributable to the current year) plus an amount to amortize the Net OPEB Liability on a closed basis over 30 years, beginning July 1, 2005. That amortization is calculated as a level percentage of payroll based on the payroll growth assumption. It is the current funding policy of the County to contribute 100% of the ADC each fiscal year. As noted above the County contributes to its Retiree Health Plan based upon a combined actuarial assessment, including current employees. This results in the County paying a higher rate for current employees and a lower rate for retirees than it would pay if it purchased coverage separately.

The following table presents the County's actuarially required employer contributions for the fiscal years identified in the table, and the percentage of the cost actually contributed by the County.

Table 34
COUNTY OF SAN MATEO
ACTUARIALLY REQUIRED CONTRIBUTIONS
($ in Thousands)

Fiscal Year	Annual OPEB Contribution	% of Annual OPEB Cost Contributed
2010-11	$17,409	100.0%
2011-12	19,439	100.0
2012-13	20,905	100.0
2013-14	24,222	100.0
2014-15	23,893	100.0
2015-16	28,304	100.0
2016-17	29,945	100.0
2017-18	24,579	104.2[(1)]
2018-19	29,161	115.6[(2)]

(1) The County contributed $1 million in additional contribution in fiscal year 2017-18.
(2) The County contributed $3.9 million in additional contribution in fiscal year 2018-19.
Source: County

Funded Status and Funding Progress. The following table presents historical information about the funding status of the County's OPEB plan with the CERBT for the valuation dates listed, reflecting two sets of GASB reporting standards. As of June 30, 2019, the most recent actuarial valuation date, the County's OPEB plan was 77.47% funded.

Table 35
COUNTY OF SAN MATEO
OTHER POST-EMPLOYMENT BENEFITS
ACTUARIAL VALUE OF ASSETS
($ in Thousands)

Actuarial Valuation Date	Present Value of Assets (Actuarial Value of Assets) [(a)]	Total OPEB Liability (AAL-Entry Age) [(b)]	Net OPEB Liability (UAAL) [(b)-(a)]	Funded Ratio [(a)/(b)]	Covered Payroll [(c)]	Net OPEB Liability (UAAL) as a % of Covered Payroll [(b-a)/c]
1/01/2011	$153,171	$243,149	$89,978	63.0%	$473,484	19.0%
6/30/2011[(1)]	167,852	267,927	100,075	62.6	457,838	21.9
6/30/2013	192,789	319,359	126,570	60.4	452,750	28.0
6/30/2015	234,779	385,077	150,298	61.0	485,550	31.0
6/30/2017	277,450	366,222	88,772	75.76	561,429	15.81
6/30/2018	298,760	400,539	101,779	74.59	585,556	17.38
6/30/2019	326,735	421,733	94,998	77.47	611,131	15.54

(1) Effective fiscal year 2010-11, the valuation date of the County's OPEB plan changed from January 1 to June 30.
Source: County; County Actuarial Valuation Reports, CalPERS, the administrator of the CERBT, issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811, but is not incorporated herein by such reference.

For further information on the Retiree Health Plan and the County's OPEB obligations, see note 14 to the County's audited financial statements included as APPENDIX C hereto and APPENDIX G – "GASB 45 REPORT OF POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS AS OF JUNE 30, 2019."

Self-Insurance Programs

The County uses a combination of self-insurance and commercial insurance programs for workers' compensation, unemployment, personal injury, property damage, dental, vision, long-term disability and automobile liability insurance. All County departments participate in the self-insurance program and make payments to the insurance funds and internal service funds. The insurance funds are responsible for collecting fees from other County funds, administering and paying claims and arranging the excess insurance coverage.

The County carries excess property insurance coverage subject to a $100,000 deductible, as follows: up to a maximum replacement value of $500 million after the first $100,000 claimed per incident; earthquake and flood damage up to a maximum of $50 million per occurrence and in the aggregate subject to a deductible equal to 5% of the replacement value per location or $250,000, whichever is greater; general liability and auto liability insurance up to $55 million per event after the first $1,000,000 claimed per incident; workers' compensation claims up to the maximum statutory limits after the first $1,000,000 claimed per incident; and medical malpractice insurance up to $25 million after the first $500,000 claimed per incident.

The activities related to such self-insurance programs are accounted for in trust funds. Accordingly, estimated liabilities for claims filed or to be filed for incidents which have occurred through June 30, 2019 are reported in these funds. County officials believe that assets of the trust funds, together with funds to be provided in the future, will be adequate to meet all self-insured claims for property, general liability, unemployment, disability income, medical malpractice and workers' compensation claims as they come due. In case of a catastrophic event, however, no assurance can be given that such assets and funds will be adequate to meet all self-insured claims that will become payable by the County. Revenues of the trust funds are primarily provided by contributions from other County funds and are intended to cover self-insured claim liabilities, insurance premiums and operating expenses.

County Debt Limit

In 1997, the Board adopted an ordinance (the "Debt Limit Ordinance"), which provides that annually at the time of approving the County budget, the Board will establish the County debt limit for such fiscal year. Pursuant to the Debt Limit Ordinance, the debt limit is applicable to non-voter approved debt that is the obligation of the County, including lease revenue obligations such as the 2021A Bonds. It does not include any voter approved debt or any debts of agencies, whether governed by the Board or not, other than the County. It also excludes any debt which is budgeted to be totally repaid from the current fiscal year budget. The Debt Limit Ordinance provides that the annual debt limit shall not exceed the amount of debt which can be serviced by an amount not to exceed 4% of the average annual County budget for the current and the preceding four fiscal years. The annual debt limit once established may be exceeded only by a four-fifths (4/5) vote of the Board and upon a finding that such action is necessary and in the best interests of the County and its citizens. Pursuant to the Debt Limit Ordinance, the County's annual debt service limit for fiscal year 2018-19 is $106.7 million, which exceeds the maximum annual debt service on outstanding debt ($52.1 million).

Indebtedness [UPDATE]

Short-Term Obligations

The County has not issued Tax and Revenue Anticipation Notes in recent years.

Long-Term Obligations

General Obligation Bonds. The County has no outstanding general obligation bonds.

Authority Lease Revenue Bonds. The County has issued all of its lease revenue obligations through bond issuances of the Authority (collectively referred to herein as the "Authority Lease Revenue Bonds"). [Authority Lease Revenue Bonds include the following amounts, outstanding as of October 1, 2018.]

	Outstanding Principal Amount
Authority Lease Revenue Bonds Series of 1993 (North County Satellite Clinic Project) (the "1993 Bonds"), fixed rate, bearing (or accruing) interest at an average rate of 5.93%, payable semiannually (at maturity or earlier redemption) with annual principal requirements due through 2026	$ 1,625,360.20
Authority Lease Revenue Bonds (Capital Projects Program) 1993 Refunding Series A (the "1993A Bonds"), fixed rate, bearing (or accruing) interest at an average rate of 5.62%, payable semiannually (at maturity or earlier redemption) with annual principal requirements due through 2021	14,840,000.00
Authority Lease Revenue Bonds (Capital Projects), 2009 Series A (the "2009 Bonds"), fixed rate, bearing or accruing interest at an average rate of 4.91%, payable semiannually (at maturity or earlier redemption) with annual requirements due through 2026*	62,900,000.00
Authority Lease Revenue Bonds (Refunding and Capital Projects) 2013 Series A (the "2013 Bonds"), fixed rate, bearing interest at an average rate of 4.99%, payable semiannually (at maturity or earlier redemption) with annual principal requirements due through 2032	34,150,000.00
Authority Lease Revenue Bonds (Capital Projects) 2014 Series A, fixed rate, bearing interest at an average rate of 4.58%, payable semiannually (at maturity or earlier redemption) with annual principal requirements due through 2037	139,235,000.00
Authority Refunding Lease Revenue Bonds (Youth Services Campus) 2016 Series A, fixed rate, bearing interest at an average rate of 4.225%, payable semiannually (at maturity or earlier redemption) with annual principal requirements due through 2036	97,525,000.00
Total	$ 350,275,360.20

* To be partially refunded with the proceeds of the 2021A Bonds.
Source: County

The County paid approximately $52.2 million in debt service in fiscal year 2017-18 with respect to Authority Lease Revenue Bonds. The following table sets forth the estimated annual debt service on each series of Authority Lease Revenue Bonds currently outstanding. See Table 1 "DEBT SERVICE REQUIREMENTS" for debt service requirements after issuance of the 2021A Bonds on the Bonds secured under the Trust Agreement.

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Table 36
COUNTY OF SAN MATEO
AUTHORITY LEASE REVENUE BONDS
ANNUAL DEBT SERVICE REQUIREMENTS
Period Ending (June 30) [UPDATE]

Period Ending (June 30)	1993 Bonds	1993A Bonds	2009 Bonds*	2013 Bonds	2014 Bonds	2016 Bonds	Total
2019	$ 955,000	$5,352,781	$9,863,200	$ 3,071,463	$23,464,250	$7,743,175	$50,449,869
2020	995,000	5,323,500	9,883,700	3,068,838	20,484,000	7,743,975	47,499,013
2021	1,035,000	5,344,250	9,902,425	2,185,463	17,342,000	7,744,075	43,553,213
2022	1,075,000	5,335,125	9,920,113	2,187,213	14,023,650	7,748,175	40,289,276
2023	1,115,000	–	9,937,581	2,187,463	13,299,850	7,740,675	34,280,569
2024	1,160,000	–	9,577,319	2,191,088	12,550,600	7,744,425	33,223,432
2025	1,205,000	–	9,418,394	2,183,213	11,780,850	7,747,425	32,334,882
2026	1,255,000	–	9,649,400	2,183,838	10,987,350	7,744,300	31,819,888
2027	1,305,000	–	8,276,706	2,182,713	10,167,100	7,744,550	29,676,069
2028	–	–	–	11,473,313	9,327,350	7,742,550	28,543,213
2029	–	–	–	5,673,263	8,460,100	7,742,675	21,876,038
2030	–	–	–	5,546,419	7,564,550	7,744,175	20,855,144
2031	–	–	–	3,103,906	6,645,550	7,746,300	17,495,756
2032	–	–	–	3,121,081	5,696,800	7,743,425	16,561,306
2033	–	–	–	2,236,538	4,721,400	7,741,375	14,699,313
2034	–	–	–	–	3,717,000	7,744,400	11,461,400
2035	–	–	–	–	2,681,000	7,742,225	10,423,225
2036	–	–	–	–	1,611,000	7,740,425	9,351,425
2037	–	–	–	–	514,800	7,739,062	8,253,863

* To be refunded with the proceeds of the 2021A Bonds.

Anticipated Financings. Based upon the County's Fiscal Year Capital Improvement Program (described above), the County anticipates issuing approximately $407 million of additional "new money" general fund obligations (including the 2021A Bonds) through fiscal year 2021-22. The "new money" issuances may include an issuance of approximately $160 million as early as 2019 to finance the Cordilleras Mental Health Center the South San Francisco Health System hub improvements. The County plans to finance a new parking garage and homeless shelter on a pay-as-you-go basis.

Estimated Direct and Overlapping Debt. The table that follows is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics Inc. and dated as of October 1, 2018. The Debt Report is included for general information purposes only. None of the County, the Authority or the Underwriters has reviewed the Debt Report for completeness or accuracy and none of the County, the Authority or the Underwriters make any representations in connection therewith. Inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc., Oakland, California.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the County in whole or in part. Such long-term obligations generally are not payable from revenues of the County (except as indicated) nor are they necessarily obligations secured by land within the County. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (i) the first column indicates the public agencies that have outstanding debt as of the date of the Debt Report and whose territory overlaps the County; (ii) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the County; and (iii) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is shown in the table) to property in the County, as determined by multiplying the total outstanding debt of each agency by the percentage of the County's assessed valuation represented in column 2.

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Table 37
COUNTY OF SAN MATEO
DIRECT AND OVERLAPPING DEBT
As of May 1, 2020
($ in Thousands)

[To come]

Financial Statements

The general purpose financial statements of the County for the fiscal year ended June 30, 2017, pertinent sections of which are included in APPENDIX C to this Official Statement, were audited by Macias, Gini & O'Connell LLP, independent accountants (the "Auditor"), as stated in their report appearing in APPENDIX C. The County has not requested, nor has the Auditor given, the Auditor's consent to the inclusion in APPENDIX C of its report on such financial statements. The Auditor's review in connection with the audited financial statements included in APPENDIX C included events only as of June 30, 2017 and no review or investigation with respect to the subsequent events has been undertaken in connection with such financial statements by the Auditor. The County has certified that it is not aware of any events occurring since June 30, 2017 that would cause the financial information in APPENDIX C hereof to be incorrect or misleading in any material respect. The County expects the financial statements for the year ended June 30, 2018 to be available on or about December 1, 2018.

Except as noted below, the County's accounting policies and audited financial statements conform to generally accepted accounting principles and standards for public financial reporting established by the GASB. The County's basis of accounting for its governmental type funds is the modified accrual basis with revenues being recorded when available and measurable and expenditures being recorded when services or goods are received and with all unpaid liabilities being accrued at year-end. All of the financial statements for governmental fund types contained in this Official Statement have been prepared on this modified accrual basis and all financial statements for proprietary funds contained in the Official Statement have been prepared on an accrual basis.

Funds accounted for by the County are categorized as follows:

Governmental Funds	Proprietary Funds	Fiduciary Funds
General Fund	Enterprise Funds	Trust and Agency Funds
Special Revenue Funds	Internal Service Funds	
Debt Service Fund		
Capital Project Funds		

The following table presents, with respect to the County's General Fund, the County's statement of revenue and expenses for the fiscal years identified in the table. [UPDATE]

Table 38
COUNTY OF SAN MATEO
COMBINED STATEMENT OF GENERAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2015-16 through 2019-20
($ in Thousands)

	2015-16	2016-17	2017-18	2018-19	2019-20
REVENUES					
Taxes	$ 580,840	$ 616,435			
Licenses and Permits	7,365	7,504			
Aid From Governmental Agencies	460,412	459,724			
Charges for Services	137,345	131,324			
Fines, Forfeitures and Penalties	9,819	8,052			
Rents and Concessions	1,666	1,546			
Investment Income	14,607	10,853			
Securities Lending Activities:					
Securities Lending Income					
Securities Lending Expenditures					
Other	23,760	28,643			
TOTAL REVENUES	$ 1,235,814	$ 1,264,081			
EXPENDITURES					
Current:					
General Government	$ 106,369	$ 114,264			
Public Protection	376,640	387,718			
Health and Sanitation	266,788	283,836			
Public Assistance	212,631	224,640			
Recreation	12,992	14,629			
Capital Outlay	9,020	22,728			
Debt Service:					
Principal Retirement					
Interest					
TOTAL EXPENDITURES	$ 984,440	$ 1,047,815			
EXCESS OF REVENUES OVER EXPENDITURES	$ 251,374	$ 216,266			
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	$ 1,855	$ 1,696			
Operating Transfers Out[(1)]	(124,540)	(122,344)			
Proceeds From Sale of Capital Assets	9	33			
Total Other Financing Sources (Uses)	$ (122,676)	$ (120,615)			
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	$ 128,698	$ 95,651			
Special items:					
Proceeds from sale of Circle Star Plaza					
Project cost reimbursement from/to JPFA					
Additional pension contribution to SamCERA	(19,538)	(33,600)			
Net change in fund balances					
Fund Balance, Beginning of Year	$ 764,669	$ 873,829			
Fund Balance, End of Year	$ 873,829	$ 935,880			

(1) Operating transfers from the General Fund consist primarily of the subsidy to the County Medical Center's Enterprise Fund. Transfers from the General Fund are also made to other County funds, including payments made for the General Fund portion of capital projects, debt service and in-home supportive services.
Source: County General Purpose Financial Statements.

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The following table presents, with respect to the County General Fund, the County's general balance sheet as of June 30 for each of the past five fiscal years. [UPDATE]

Table 39
COUNTY OF SAN MATEO
GENERAL FUND
COMBINED BALANCE SHEET
At June 30, 2016, 2017, 2018, 2019 and 2020
($ in Thousands)

	At June 30,				
	2016	**2017**	**2018**	**2019**	**2020**
ASSETS:					
Cash and Investments	$ 909,241	$ 964,889	$		
Receivables					
Accounts, net of allowances for uncollectible amounts	16,695	16,728			
Interest	16,262	18,971			
Taxes, net of allowances for uncollectible amounts	18,232	20,517			
Mortgages	81,838	88,059			
Advances	839	1,571			
Other	22,729	20,762			
Due from Other Funds	11,487	7,230			
Due from Other Governmental Agencies	140,973	148,931			
Loan receivable	3,141	4,654			
Inventories	96	108			
Advances to Other Funds	6,710	11,854			
Other Assets	4,108	6,159			
TOTAL ASSETS	$1,232,351	$1,310,433	$		
LIABILITIES:					
Accounts Payable	$ 35,750	$ 41,242	$		
Accrued Salaries and Benefits	22,058	25,261			
Accrued Liabilities	10	14			
Due to Other Funds	4,174	329			
Due to Other Governmental Agencies	23,498	18,366			
Unearned Revenues	62,307	66,447			
Deferred Revenues	210,725	222,894			
TOTAL LIABILITIES	$ 358,522	$ 374,553	$		
FUND BALANCES					
Reserved for:					
Encumbrances	$ 33,905	$ 40,106	$		
Advances to other funds and inventories	89,025	94,418			
Committed					
Unreserved:					
Designated	6,584	10,235			
Undesignated	744,315	791,121			
TOTAL LIABILITIES AND FUND BALANCES	$1,232,351	$1,310,433	$		

Source: County General Purpose Financial Statements.

See also APPENDIX C – "COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2017."

County Treasurer's Investment Pool

General. The County sponsors an investment pool (the "County Pool") to invest funds of the County and various external public entities allowed or as required by statute. The County Treasurer manages, in accordance with California Government Code Section 53600 et seq., funds deposited in the County Treasury by the County, all County school districts, various special districts, and some cities within the County. Moneys of the County, school districts and certain special districts are held in the County Treasury by the County Treasurer. The County Treasurer accepts funds primarily from agencies located within the County. As of June 30, 2018, there were 1196 participant accounts in the County Pool, the largest single agencies being the school districts and the community college district representing 35.9% of the County Pool, voluntary participant accounts from Cities and Special Districts representing 23.5%, and the County representing 40.6% of the County Pool. The moneys on deposit are predominantly derived from local government revenues consisting of property taxes, State and federal funding and other fees and charges.

The following table sets forth the investments in the County Pool held for local agencies.[UPDATE]

Table 40
SAN MATEO COUNTY
INVESTMENT POOL PARTICIPANTS
As of June 30, 2020

Participant Category	Invested Funds	% of Total
School Districts	$	%
SMC Community College		
Cities		
Special Districts		
Bay Area Air Quality Management District		
San Mateo County Transportation Authority/JPB		
All Other San Mateo County Funds		
Total	$	100.00%

Source: County.

The following table sets forth the composition, carrying amount, and market value of the County Pool. [UPDATE]

Table 41
SAN MATEO COUNTY
INVESTMENT POOL
SUMMARY OF ASSETS HELD
As of June 30, 2020

Security	Carrying Value(1)	Market Value(2)	% of Total
Repurchase Agreements	$	$	%
Commercial Paper			
Certificate of Deposit			
LAIF			
Corporate Floating Rate Notes			
Corporate Bonds			
Federal Agency Securities			
United States Instrumentalities			
United States Treasury Bills			
United States Treasury Notes			
Total(3)	$	$	100.00%

((1) The "carrying value" of the pool securities represents the cost of such securities to the County.
(2) The "market value" of the pool securities is composed of the market value of such securities plus accrued interest.
(3) Totals do not include uninvested cash held for payroll and operating expenditures.
Source: County.

The composition and value of investments under management in the County Pool will vary from time to time depending on cash flow needs of the County and public agencies invested in the County Pool, maturity or sale of investments and purchase of new securities, and due to fluctuations in interest rates generally.

As reflected in the table above, as of June 30, 2020, the carrying value and market value of investments credited to the County Pool were both approximately $_____________ billion and included approximately $________________ billion in cash or cash equivalents, which represents the County Pool's liquidity. As of June 30, 2020, the dollar weighted average maturity of the County Pool was ____ years with a duration of ___ years and approximately _____% of the assets of the County Pool come from public agencies which can make discretionary withdrawals for the purposes of making alternative investments. The County Treasurer believes the liquidity in the portfolio is adequate to meet expected cash flow requirements and would preclude the County from the need to sell investments at below carrying value. However, the County has in the past and may in the future elect to sell securities below carrying value, borrow short-term debt to fund cash flow needs and take other actions as the County Treasurer may deem warranted by prudent fiscal management.

County Investment Policy. [UPDATE] The current investment policy was adopted by the Board ______________ (the "County Investment Policy") and can be found at _____________. To meet the requirements of both liquidity and long-term investment needs, the County adopted, and from time to time amends, the County Investment Policy. The County Pool attempts to match maturities with capital expenditures and other planned outlays. The County Pool is designed to maximize the return on investable funds over various market cycles, consistent with limiting risk and prudent investment principles. Yield is considered only after safety and credit quality have been met. The purpose of the County Pool is to provide investors with a reasonably predictable level of income.

The maximum allowable maturity of instruments in the County Pool at the time of investment is seven years and the maximum dollar weighted average maturity of the fund is three years. Subject to California law, funds deposited in the County Pool under the County Investment Policy may only be reclaimed at the rate of 12.5% of the principal balance per month, exclusive of apportionment, payrolls and day-to-day operations, unless specifically authorized by the County Treasurer. Gains and losses in the County Pool are proportionately allocated to each depositor quarterly, each being given credit for accrued interest earnings and capital gains based on their average daily pool balance. The minimum balance for an outside agency to maintain an account in the County Pool is $250,000.

The County Treasurer may not leverage the County Pool through any borrowing collateralized or otherwise secured by cash or securities held unless authorized by the County Investment Policy in accordance with California law. The County Investment Officer is prohibited from doing personal business with brokers that do business with the County.

The fund also permits investments in repurchase agreements in an amount not exceeding 100% of the fund value. Collateralization on repurchase agreements is set at 102%. The County Investment Policy permits certain securities lending transactions up to a maximum of 20% of the County Pool. The program is conducted under a Custody Agreement by and between the County and The Bank of New York, as custodian.

The Board has established an eight-member County Treasury Oversight Committee (the "Oversight Committee") pursuant to State law. Members are selected pursuant to State law.

The Oversight Committee meets at least three times a year to evaluate general strategies, to monitor results and to evaluate the economic outlook, portfolio diversification, maturity structure and potential risks to the funds. It will also consider cash projections and needs of the various participating entities, control of disbursements and cost-effective banking relationships.

The County Treasurer prepares a monthly report for the County Pool participants, the Board and members of the Oversight Committee stating the type of investment, name of the issuer, maturity date, par and dollar amount of the investment. The report also lists average maturity and market value. In addition, the County Treasurer prepares a cash flow report which sets forth projections for revenue inflows and interest earnings as compared to the projections for the operating and capital outflows of depositors. The projection will be for at least the succeeding twelve months. An annual audit of the portfolios, procedures, reports and operations related to the County Pool will be conducted in compliance with California law.

The County Investment Policy is reviewed and approved annually by the Board. All amendments to the policy must be approved by the Board.

Lehman Bankruptcy. On September 15, 2008, Lehman Inc. ("Lehman") filed the largest bankruptcy in United States history. The County had invested about 5.9% of its investment pool in Lehman securities. Specifically, of a total County Pool of approximately $2.6 billion, the County Pool wrote down approximately $155 million in value as a result of the bankruptcy. This write down resulted in a projected $8.6 million loss to the County's General Fund and a total $30 million loss to the County. The County subsequently engaged in an aggressive effort to recover the Lehman loss by becoming a creditor in the bankruptcy action, becoming actively involved in a nationwide effort to recover the lost funds through federal legislative efforts, and by filing a lawsuit in 2009 against former Lehman officers and directors and Ernst & Young LLP, Lehman's independent accounting firm, seeking damages for alleged securities fraud.

In January 2011, thirteen school districts sued the County and the County Treasurer claiming over $20 million dollars in damages due to the County Pool losses as a result of the Lehman bankruptcy. The County demurred, and ultimately prevailed in this litigation.

Ultimately, the County Pool's total recovery through the Lehman bankruptcy proceedings was approximately $61.6 million, or 39.8%, of the $155 million claim. In addition, lawsuits against the Lehman officers and directors and Ernst & Young resulted in an additional recovery for the Pool of approximately, $9.8 million, bringing the total recovery of the County Pool to $70.8 million or 45.8% of the County Pool's $155 million claim.

For further information regarding the existing County Pool, see note 2 to the audited financial statements of the County included in APPENDIX C hereto.

RISK FACTORS

The following factors, which represent material risk factors that have been identified at this time, should be considered along with all other information in this Official Statement by potential investors in evaluating the 2021A Bonds. There can be no assurance made that other risk factors will not become evident at any future time.

Base Rental Payments Not County Debt

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY, THE COUNTY NOR ANY MEMBER OF THE AUTHORITY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE 2021A BONDS OR FOR THE PAYMENT OF BASE RENTAL PAYMENTS UNDER THE MASTER FACILITY LEASE. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other municipal services before making Base Rental Payments and other payments due under the Master Facility Lease. The same result could occur if, because of State Constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues.

The 2021A Bonds are being issued by the Authority pursuant to the Joint Exercise of Powers Act, California Government Code 6500 *et seq*. (the "JPA Act"), and are not debt of the County. The Supreme Court of the State of California in its 1998 decision of *Rider v. City of San Diego*, 18 Cal. 4th 1035, upheld the validity of a joint powers agency financing and found that bonds issued pursuant to the JPA Act and payable from lease payments made pursuant to a lease with the City of San Diego were not subject to the State constitutional provision that requires two-thirds voter approval of indebtedness incurred by a city, county or school district. No voter approval of the 2021A Bonds or the Master Facility Lease has been sought. Based on an analysis of existing laws and court decisions, Bond Counsel is delivering its opinion on the validity of the 2021A Bonds and the Master Facility Lease in the form attached hereto in APPENDIX E.

Abatement Risk

During any period in which, by reason of material damage or destruction, there is substantial interference with the use and possession by the County of any portion of the Leased Property, rental payments due under the Master Facility Lease with respect to the Leased Property will be abated proportionately, and the County waives any and all rights to terminate the Master Facility Lease by virtue of any such interference and the Master Facility Lease shall continue in full force and effect. See "SECURITY FOR THE 2021A BONDS Base Rental Payments" herein.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Base Rental Payments due over the term of the Master Facility Lease and the Trustee is not empowered to sell a fee simple interest in the Facilities and use the proceeds of such sale to prepay the 2021A Bonds or pay debt service thereon. The County thus would be liable only for principal and interest payments as they became due, and the Trustee would be required to seek a separate judgment for each payment, if any, not made. Any such suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below.

Limitation on Remedies

The enforcement of any remedies provided in the Master Facility Lease and the Trust Agreement could prove both expensive and time consuming. Although the Master Facility Lease provides that if the County defaults the Authority may reenter the Leased Property and re-let it, portions of the Leased Property may not be easily recoverable, and even if recovered, could be of little value to others because of the Leased Property's specialized nature. Additionally, the Authority may have limited ability to re-let the Leased Property to provide a source of rental payments sufficient to pay the principal and interest on the 2021A Bonds so as to preserve the tax-exempt nature of interest on the 2021A Bonds. Furthermore, due to the governmental nature of the Leased Property, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Authority may terminate the Master Facility Lease and proceed against the County to recover damages pursuant to the Master Facility Lease. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Risk of Uninsured Loss

The County covenants under the Master Facility Lease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. For example, the Leased Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Base Rental Payments could occur and could continue indefinitely. In cases where the casualty is covered by insurance, there can be no assurance that the County's insurance carriers will in all events be able or willing to make payments under their respective policies should a claim be made. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Leased Property will be sufficient to repair or replace the Leased Property or to redeem the 2021A Bonds.

The County currently insures all its buildings against earthquake and flood damage. However, the County makes no pledge to maintain such insurance and may discontinue earthquake coverage at its sole discretion. See "—Risk of Earthquake" below.

Certain of the County's insurance policies provide for deductibles that vary according to insured peril. Should the County be required to meet such deductible expenses, the availability of General Fund revenues to make Base Rental Payments may be correspondingly affected.

No Limitation on Incurring Additional Obligations

Neither the Master Facility Lease nor the Trust Agreement contains any limitations on the ability of the County to enter into other obligations that may constitute additional claims against its General Fund revenues. To the extent that the County incurs additional obligations, the funds available to make Base Rental Payments may be decreased. The County is currently liable on other obligations payable from General Fund revenues. See "COUNTY FINANCIAL INFORMATION—Indebtedness" herein.

No Obligation to Replace Reserve Facility upon Surety Provider Rating Downgrade Prior to Elimination of Reserve Fund

[Regardless of any change in rating or any other change in status (including, but not limited to, insolvency, dissolution or bankruptcy) of the Series 2018 Reserve Provider after the deposit of such Series 2018 Reserve Facility, the Authority is under no obligation to replace the Series 2018 Reserve Facility or to deposit additional cash to the Series 2018 Reserve Account with respect to the amount of the Series 2018 Reserve Facility. See "SECURITY FOR THE 2021A BONDS—Series 2018 Reserve Account." The requirement for a Reserve Fund will be eliminated effective upon retirement of the unrefunded 2009 Bonds and the 2013 Bonds. As a consequence, payment of the 2021 Bondholders will not be secured by the Series 2018 Reserve Facility after that time. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS—THE TRUST AGREEMENT—Springing Amendments" herein.]

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and the Master Facility Lease may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. The County is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the County is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment superior to that of Owners of the 2021A Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the County's various obligations over the objections of the Trustee or all of the Owners of the 2021A Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors. The adjustment of similar obligations is currently being litigated in federal court in connection with bankruptcy applications by the cities of San Bernardino and Stockton. The Adjustment Plans in these cities propose significant reductions in the amounts payable by the cities under lease revenue obligations substantially identical to the 2021A Bonds. The County can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy.

In addition, the County could either reject the Site Lease or the Master Facility Lease or assume the Site Lease or the Master Facility Lease despite any provision of the Site Lease or the Master Facility Lease that makes the bankruptcy or insolvency of the County an event of default thereunder. If the County rejects the Master Facility Lease, the Trustee, on behalf of the Owners of the 2021A Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021A Bonds. Moreover, such rejection would terminate the Master Facility Lease and the County's obligations to make payments thereunder. The County may also be permitted to assign the Master Facility Lease (or the Site Lease) to a third party, regardless of the terms of the transaction documents. If the County rejects the Site Lease, the Trustee, on behalf of the Owners of the 2021A Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021A Bonds. Moreover, such rejection may terminate both the Site Lease and the Lease and the obligations of the County to make payments thereunder.

The Authority is a public agency and, like the County, cannot be the subject of an involuntary case under the Bankruptcy Code. The Authority may also seek voluntary protection under Chapter 9 of the Bankruptcy Code. If the Authority were to become a debtor under the Bankruptcy Code, the Authority would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Trust Agreement. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the Authority or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the Authority and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the 2021A Bonds; and (iv) the possibility of the adoption of an Adjustment Plan for the adjustment of the Authority's various obligations over the objections of the Trustee or all of the Owners of the 2021A Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is fair and equitable and in the best interests of creditors.

In addition, in a bankruptcy of the Authority, the assignment by the Authority to the Trustee of the Site Lease and the Master Facility Lease could be characterized as a pledge rather than an absolute assignment. Under such circumstances, the Authority may be able to either reject the Site Lease or the Master Facility Lease or assume the Site Lease or the Master Facility Lease despite any provision of the Site Lease or the Master Facility Lease that makes the bankruptcy or insolvency of the Authority an event of default thereunder. If the Authority rejects the Site Lease, the Trustee, on behalf of the Owners of the 2021A Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021A Bonds. Moreover, such rejection would terminate both the Site Lease and the Master Facility Lease and the obligations of the County to make payments thereunder. If the Authority rejects the Master Facility Lease, the Trustee, on behalf of the Owners of the 2021A Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the 2021A Bonds. Moreover, such rejection may terminate the Master Facility Lease and the County's obligations to make payments thereunder. The Authority may also be permitted to assign the Site Lease or the Master Facility Lease to a third party, regardless of the terms of the transaction documents.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," certain acts or omissions of the County in violation of its covenants in the Trust Agreement and the Master Facility Lease could result in the interest evidenced by the 2021A Bonds being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the 2021A Bonds. Should such an event of taxability occur, the 2021A Bonds would not be subject to a special redemption and would remain Outstanding until maturity or until redeemed under the provisions contained in the Trust Agreement.

Risk of Earthquake

There are several earthquake faults in the greater San Francisco Bay Area that potentially could result in damage to buildings, roads, bridges, and property within the County in the event of an earthquake. Past experiences, including the 1989 Loma Prieta earthquake, have resulted in minimal damage to the infrastructure and property in the County. Earthquake faults that could affect the County include the San Andreas Fault within portions of the County. Local building codes take into account the likelihood of seismic activity and are intended to provide both earthquake building design integrity and safety to the building occupants.

It is possible that the County could sustain damage to its facilities if a major seismic event greater than those experienced in recent years should occur within or near the County. Such damage would likely occur from ground motion and possible liquefaction of underlying soils. Damage could include slope failures along shorelines, pavement displacement, distortions of pavement grades, breaks in utility, drainage and sewage lines, displacement or collapse of buildings and other facilities, failure of bulkhead walls and rupture of gas and fuel lines. Any such destruction could adversely affect the County's ability to make Base Rental Payments.

The Master Facility Lease does not require the County to maintain earthquake insurance on the Facilities. The County currently insures all of its buildings against certain risks, including earthquake damage, through a $50 million per occurrence and in the aggregate property insurance policy, subject to certain deductibles as described under "COUNTY FINANCIAL INFORMATION—Self-Insurance Programs" herein. Earthquake insurance may be reduced or eliminated at the County's sole discretion.

Risk of Sea Level Changes and Flooding

[UPDATE] The County currently is a plaintiff in a lawsuit in the Superior Court of the State of California in the County of San Mateo, Case No. 17 CIV 03222 currently before the 9th Circuit Court of Appeals, Case No. 18-15499. The defendants include the largest oil and coal companies operating in the US. The lawsuit alleges various causes of action directly or indirectly related to climate change resulting from the defendants' production, promotion, marketing, and use of fossil fuel products, simultaneous concealment of the known hazards of those products, and their championing of antiregulation and anti-science campaigns. The lawsuit also alleges that the County has already incurred millions of dollars of expenses related to planning for and predicting future sea level rise injuries to its real property, improvements thereon, civil infrastructure, and citizens, to preemptively mitigate and/or prevent such injuries. The lawsuit further alleges that the assessed value of parcels threatened with serious or permanent inundation as a result of sea level rise totaled in the billions of dollars and that hundreds of millions of dollars in assessed property values could be at risk from erosion on the Coastside north of Half Moon Bay.

The 2021A Bonds are limited obligations payable solely from, and secured solely by, the Revenues consisting primarily of Base Rental Payments to be made by the County from its General Fund for the right of the County to use and occupy the Leased Property. The complaint filed by the County specifically references an area where certain of the Leased Property (County Office Building #2 and the Regional Operations Center) is located as being threatened with flooding and other harm from sea level rise. The County expects to release both the County Office Building #2 and the Regional Operation Center from the Leased Property in 2028. See, "THE LEASED PROPERTY" herein. Base Rental Payments will be abated during any period in which by reason of any damage or destruction there is substantial interference with the use and occupancy of the Leased Property by the County. In addition, the amount of property and other tax revenues available to the General Fund may be reduced in the event of widespread damage to property in the County even if there is no abatement of Base Rental Payments.

The County initiated a study of the vulnerability of land in the County to risks resulting from potential sea level rise. The study was completed in March 2018 and titled "County of San Mateo Sea Level Rise Vulnerability Assessment" (the "Assessment"). The Assessment references and finds risk of potential impacts to property in the County in the event of various sea level rise scenarios. The Assessment concludes that if the sea level were to rise to specific levels, the resulting flooding could damage infrastructure and property in the County, including certain of the Leased Property to varying degrees based on varying levels of flooding. The Assessment states that the total assessed value of parcels that would be flooded in the event of 3.3 feet of sea level rise and a 1% annual chance storm scenario is $34 billion for property located on the County's San Francisco Bay shoreline and Coastside north of Half Moon Bay. In addition, $932 million in assessed property values could be at risk from erosion on the Coastside north of Half Moon Bay. Investors may review the Assessment, which is available on the County of San Mateo website on the County of San Mateo website (http://seachangesmc.com/vulnerability-assessment/) under the menu choice "Our Efforts: Sea Level Rise Vulnerability Assessment" for further information and evaluation, however, neither the Assessment nor the County's website is incorporated by reference herein. In the event the Leased Property cannot be repaired during the period of time that proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments for a period of two years plus the period for which funds are available from debt service reserves or surety at the levels provided in each of the legal documents associated with the Bonds, or in the event that casualty insurance proceeds are insufficient to provide for complete repair of the Leased Property, there could be insufficient funds to cover payments to 2021 Bond owners in full.

The County is unable to determine what effect, if any, the above information or actual rise in sea level may have on the investment value of the 2021A Bonds.

Wildfires

[UPDATE] Based on Cal Fire's Fire Hazard Severity Zone maps, San Mateo County has areas of land that are located in moderate, high, and very high fire severity hazard zones, with significant land area in the very high severity zone. The San Mateo - Santa Cruz Unit Strategic Fire Plan completed in 2017 states that "Due to the local topography, fuels (forest, chaparral, grasslands) and certain weather conditions, San Mateo and Santa Cruz counties are prone to periodic large wildfire events." Wildfire fire severity is expected to increase with climate change. The County received SB1 grant funds from Caltrans to further understand how wildfire risk may change with climate change, and to understand how changes in wildfire risk due to climate change could affect transportation routes and communities.

While a wildfire event is possible and could have significant impacts on County property and in unincorporated areas, the County is unable to determine what effect wildfire may have on the investment value of the 2021A Bonds.

Hazardous Substances

Owners and operators of real property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many, of these laws, the owner (or operator) is obligated to remedy a hazardous substance whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly and adversely affect the operations and finances of the County.

The County knows of no existing hazardous substances which require remedial action on or near the Facilities. However, it is possible that such substances do currently or potentially exist and that the County is not aware of them.

Cybersecurity

[The County, like many other large public sector entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities (National and International) or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. As a result of these potential risks, the County has created and updated information technology policies, implemented annual IT Security Training, strengthened identity and access management capabilities and enhanced and deployed several security controls across of the organization to protect the County's network, computer assets and users.

In the last two years, there have been two cyber security incidents of note. One was a successful phishing attack that affected less than a dozen end users. The second was a website defacement because of a departmental administrator with a weak password. Neither event resulted in any litigation or increased cyber security or remediation costs.

The County believes that its measures to manage cyber threats are reasonable and are comparable to or exceed measures taken by similar government entities. However, no assurance can be given that a future cyber-attack will not materially impact the operations or finances of the County.]

Other Natural Hazards

[According to the County's Local Hazard Mitigation Plan, the County is exposed to a number of different hazards. The Plan states "Natural and human-caused hazards affect citizens, property, the environment, and the economy of San Mateo County. Climate change, drought, earthquakes, floods, landslides, severe weather, tsunamis, wildfires, and dam failures have exposed San Mateo County residents and businesses to the financial and emotional costs of recovering after natural disasters. Additionally, human-caused hazards such as hazardous material releases, pipeline and tank leaks, terrorism, airline incidents, and cyber threats have the potential to further affect the County. The risk associated with both natural and human-caused hazards increases as more people move to or visit areas affected by those hazards." (Local Hazard Mitigation Plan 2016.)

There is the potential for each of these hazards to affect the investment value of the 2021A Bonds, but the County is unable to determine the exact impact.]

Limitation on Revenues

There are limitations on the ability of the County to increase revenues. The ability of the County to increase the *ad valorem* property taxes (which have historically been an important source of revenues for counties in California) is limited pursuant to Article XIIIA, which was enacted in 1978. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES" herein.

The County receives a significant portion of its revenue from State and federal sources. Decreases in revenues received by the State can affect subventions made to the County and other counties in the State. In addition, actions taken by Congress and federal executive branch agencies including, without limitation, reductions in federal spending, could materially reduce the revenues received by the County. The potential impact of State budget actions for future fiscal years on the County is uncertain at this time. See "COUNTY FINANCIAL INFORMATION—Intergovernmental Revenues" herein. See also "—State Budget Concerns" below.

State Budget Concerns

The State, upon which the County relies for a significant portion of its revenues, has experienced budget shortfalls in recent years. While there has been recent significant budgetary improvements, there remain a number of major risks and pressures that threaten the State's financial condition. In addition, the State's revenues can be volatile. Decreases in State revenues may significantly affect appropriations made by the State to counties and the timing of payment to counties by the State may depend upon the ability of the State to access the credit markets with respect to its own cash flow borrowings in the future. See "COUNTY FINANCIAL INFORMATION—Intergovernmental Revenues" herein.

Premium Bonds

Some 2021A Bonds may be purchased at a premium. Any extraordinary redemption of the 2021A Bonds could cause the holders a loss of the premium paid by the investors upon purchase of the 2021A Bonds.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING COUNTY REVENUES AND EXPENDITURES

The following is a discussion of certain limitations on the ability of the County to increase revenues payable to the County General Fund or to make expenditures therefrom.

Property Tax Rate Limitations – Article XIIIA

Article XIIIA of the State Constitution limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster. Article XIIIA also permits reductions of the "full cash value" in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls, with tax rates expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of full cash value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Appropriations Limitations – Article XIIIB

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). The formula set forth in Article XIIIB for determining a local governmental entity's appropriations limit was subsequently amended by Proposition 111 (1990). Under Article XIIIB, the State and each local governmental entity has an annual "appropriations limit" and is not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain fiscal year 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

"Appropriations subject to limitation" are authorizations to spend "proceeds of taxes," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service," but "proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on appropriations of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

Not included in the Article XIIIB limit are appropriations for the debt service costs of bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government and appropriations for qualified capital outlay projects. The appropriations limit may also be exceeded in certain cases of emergency.

The appropriations limit for the County in each year is based on the County's limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the County's option, either (i) the percentage change in State per capita personal income, or (ii) the percentage change in the local assessment roll on nonresidential property.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by a County over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Starting with fiscal year 1990-91, pursuant to amendments to Article XIIIB, the County's appropriations limit was calculated by taking the actual fiscal year 1986-87 limit, and applying annual adjustments permitted by Article XIIIB.

[The County's appropriations limit for fiscal year 2019-20 is approximately $____ million. For fiscal year 2019-20, the estimated appropriations subject to the limit amount is approximately $____ million. The County does not anticipate that the appropriation limit will restrict its spending even if certain appropriations, such as appropriations to comply with prior federal government mandates under the Affordable Care Act (ACA), which are not currently counted against the Article XIIIB limit, are no longer mandated costs subject to exclusion. This is because the County has planned a large amount of appropriations for qualified capital outlay projects (which are excluded from the Article XIIIB limit) that will replace other spending that currently counts against the appropriations limit.]

Articles XIIIC and XIIID – Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Article XIIIC ("Article XIIIC") and Article XIIID ("Article XIIID") to the State Constitution, which contains a number of provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIIIC requires that all new local taxes or increases in existing local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. The voter-approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet any increased expenditure requirements.

Article XIIID contains provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property. Article XIIID also contains several provisions affecting "property-related fees" and "charges," defined for purposes of Article XIIID to mean "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service." All new and existing property-related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property-related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property-related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The County must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the County may not impose or increase the fee or charge. Fees for electrical and gas service are explicitly exempted from the definition of "property-related" under Article XIIID. Property-related fees or charges for services other than sewer, water, and refuse collection services may not be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. In addition to the provisions described above, Proposition 218 removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge.

Proposition 218 continues to be interpreted by California courts. The State Supreme Court's 2006 decision in *Bighorn-Desert View Water Agency* found that metered charges for consumption of water by a public agency fell within the "property-related" fees subject to Proposition 218. Fees for sewer and refuse collection could also be found to be within the definition of property-related fees. If such charges are property-related charges, rate increases would be subject to notice, hearing and majority protest, but not prior voter approval, and rates and charges could be reduced by referendum.

The annual amount of revenues that are received by the County and deposited into its General Fund which may be considered to be property related fees and charges under Article XIIID is not substantial. Accordingly, the

County does not presently anticipate that any impact Article XIIID may have on future fees and charges will adversely affect the ability of the County to pay the principal of and interest on the 2021A Bonds as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services to avoid new costs for the County General Fund in the event the fees and charges that presently finance them are reduced or repealed.

Proposition 1A

Proposition 1A, approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. By adding Section 25.5 to Article XIII of the State Constitution, Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the State Legislature.

Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses of the State Legislature and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

By amending Section 15 of Article XI of the State Constitution, Proposition 1A also provides that if the State reduces the VLF rate, the State must provide local governments with equal replacement revenues. Further, by amending Section 6 of Article XIIIB, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, schools or community colleges, excepting mandates relating to employee rights, in any year that the State does not fully reimburse local governments for their costs of compliance with such mandates. See, “Appropriations Limitations – Article XIIIB” above.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” eliminates or reduces the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for state-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26

On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (i) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (ii) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (iii) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (iv) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (v) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (vi) a charge imposed as a condition of property development; and (vii) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

The County does not expect the provisions of Proposition 26 to materially and adversely affect its ability to pay Base Rental Payments when due.

Proposition 30

On November 6, 2012, voters approved Proposition 30, also known as "Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment," which added to the State Constitution certain requirements related to the transfer of specified State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees and providing substance abuse treatment services. Proposition 30 will not have a material impact upon the County or its ability to pay Base Rental Payments when due.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID and the other Propositions referenced above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other State or local initiative measures could be adopted, which may place further limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations which may affect the County's revenues or its ability to expend its revenues.

THE AUTHORITY

The San Mateo County Joint Powers Financing Authority was formed pursuant to the provisions of Articles 1 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and a Joint Exercise of Powers Agreement, dated May 15, 1993, as amended, by and between the County and the Community Development Commission. The Community Development Commission is a public body, corporate and politic formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code. The Community Development Commission is not a redevelopment agency or successor thereto.

The Authority was formed to assist the County in the financing of public capital improvements. The Authority presently acts as lessor for the Facilities, as well as the issuer in other County financings. The Authority functions as an independent entity and its policies are determined by a five-member board appointed by the Board. The Authority has no employees and all staff work is done by the County staff or by consultants to the Authority.

TAX MATTERS

[UPDATE] In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2021A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the 2021A Bonds is less than the amount to be paid at maturity of such 2021A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2021A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2021A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2021A Bonds is the first price at which a substantial amount of such maturity of the 2021A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2021A Bonds accrues daily over the term to maturity of such 2021A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2021A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2021A Bonds. Beneficial Owners of the 2021A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2021A Bonds in the original offering to the public at the first price at which a substantial amount of such 2021A Bonds is sold to the public.

2021A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2021A Bonds. The Authority and the County have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2021A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2021A Bonds being included in gross income for federal income tax purposes, possibly from the dates of original issuance of the 2021A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2021A Bonds may adversely affect the value of, or the tax status of interest on, the 2021A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2021A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2021A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2021A Bonds. Prospective purchasers of the 2021A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2021A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the County have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2021A Bonds ends with the issuance of the 2021A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the County or the Beneficial Owners regarding the tax-exempt status of the 2021A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the County and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2021A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2021A Bonds, and may cause the Authority, the County or the Beneficial Owners to incur significant expense.

INDEPENDENT ACCOUNTANTS

The financial statements of the County for the fiscal year ended June 30, 2020 included in APPENDIX C to this Official Statement, have been audited by Macias Gini & O'Connell LLP, the County's independent auditor, as set forth in their report dated ________ 22, 2020, which also appears in APPENDIX C. Macias Gini & O'Connell LLP has not been engaged to and has not performed any procedures subsequent to the date of their report related to the financial statements included herein nor performed any procedures related to this Official Statement. See "COUNTY FINANCIAL INFORMATION—Financial Statements" herein.

CONTINUING DISCLOSURE

The County will covenant pursuant to separate Continuing Disclosure Agreements to provide Annual Reports by not later than March 30 of each calendar year, commencing with the report for fiscal year 2020-21 to be filed on or before March 30, 2022 with respect to the 2021A Bonds. The County will provide notices of the Listed Events not later than ten business days after the occurrence of the event. The Annual Report and the notices of Listed Events will be filed by the County with the MSRB or any other entity designated or authorized by the SEC to receive such reports. Until otherwise designated by the MSRB or the SEC, filings with the MSRB will be made through the EMMA website of the MSRB, currently located at http://emma.msrb.org. These covenants will be made in order to assist the Underwriters (as defined herein) in complying with the Rule. (In 2016, the County incorrectly filed a notice of defeasance related to the San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds (Youth Services Campus) 2008 Series A.) See APPENDIX F – "PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

LEGAL MATTERS

The validity of the 2021A Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe (US) LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion are contained in APPENDIX E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Certain legal matters will be passed upon for the Underwriters by____________________________________. Certain legal matters will be passed upon for the Authority and for the County by County Counsel and by Norton Rose Fulbright US LLP, San Francisco, California, Disclosure Counsel to the Authority and the County. Eric Tashman, a partner in the law firm of Norton Rose Fulbright US LLP, which is serving as Disclosure Counsel to the County and the Authority in connection with the issuance of the 2021A Bonds, is a member of the Retirement Board of SamCERA. Bond Counsel, Disclosure Counsel and Underwriters' Counsel will receive compensation contingent upon the sale and delivery of the 2021A Bonds.

LITIGATION

The County is not currently aware of any litigation that is pending or threatened concerning the validity of the 2021A Bonds, the Master Site Lease, the Master Facility Lease or the Trust Agreement, and with that continuing to be the case, an opinion of County Counsel to that effect will be furnished to the Underwriters at the time of the original delivery of the 2021A Bonds. There are a number of lawsuits and claims pending against the County. In the opinion of County Counsel, the aggregate amount of liability that the County might incur as a result of adverse decisions in such cases would be covered under the County's self-insurance program, its excess insurance coverage, or other sources of funds that would not materially adversely affect the payment of the 2021A Bonds.

The Authority is not aware of any litigation pending or threatened questioning the political existence of the Authority or the County or contesting the County's ability to appropriate or make Base Rental Payments.

RATINGS

Moody's Investor's Service, Inc. and S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") have assigned ratings of "___" and "___," respectively, to the 2021A Bonds. Such ratings express only the views of the rating agencies and are not a recommendation to buy, sell or hold the 2021A Bonds. There is no assurance that such ratings will continue for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely by the rating agencies, or either of them, if in their, or its, judgment, circumstances so warrant. The Authority, the County and the Trustee undertake no responsibility either to notify the Owners of the 2021A Bonds of any revision or withdrawal of the ratings or to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the 2021A Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The 2021A Bonds are being purchased by_________________., as representative (the "Representative") of itself, ____(together, the "Underwriters" and each, an "Underwriter"). The Underwriters have agreed to purchase the 2021A Bonds at a purchase price of $_________ (representing the aggregate principal amount of the 2021A Bonds, less an Underwriters' discount of $__________, plus a [net] original issue premium of $__________). The Underwriters will purchase all of the 2021A Bonds if any are purchased. The obligation of the Underwriters to make such purchase is subject to certain terms and conditions set forth in the contract of purchase relating to the 2021A Bonds.

The Underwriters may also offer and sell the 2021A Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority and/or the County for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and/or the County.

MUNICIPAL ADVISOR

California Financial Services (the "Municipal Advisor") has acted as Municipal Advisor to the County in conjunction with the issuance of the 2021A Bonds. The Municipal Advisor has assisted the Authority and the County in preparation of this Official Statement and in other matters related to the planning, structuring, issuance of the 2021A Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2021A Bonds.

The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in the Official Statement, or any other information related to the Authority or the County with respect to the accuracy or completeness of disclosure of such information. The Municipal Advisor makes no guaranty, warranty or other representation respecting the accuracy or completeness of this Official Statement or any other matter related to this Official Statement.

MISCELLANEOUS

Any statements in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, are intended solely as such and not as representations of fact.

The preparation and distribution of this Official Statement have been authorized by the Authority and the County.

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

By:____
Paul Scannell
President

COUNTY OF SAN MATEO

By:____

County Manager

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF SAN MATEO

[TO BE UPDATED] There follows in this Official Statement a brief description of the County of San Mateo, California (the "County"), together with current information concerning the County's demographics and economy. The general information in this section concerning the County is provided as supplementary information only. Such information is provided as general information and has been obtained from sources that the County believes to be reliable, but the County makes no representations as to the accuracy or completeness of the information included.

Population

The following table shows the population of State of California (the "State"), the County and the six largest cities within the County.

Table A-1
COUNTY OF SAN MATEO AND INCORPORATED CITIES
POPULATION
2014 through 2018(1)

	2014	2015	2016	2017	2018
Six Largest Cities:					
Daly City	106,615	107,260	107,810	107,733	107,864
Pacifica	38,143	38,232	38,318	38,342	38,418
Redwood City	82,775	84,204	86,079	86,271	86,380
San Bruno	44,311	45,861	46,036	45,965	46,085
San Mateo	100,403	101,608	103,006	103,465	104,490
South San Francisco	65,992	66,297	66,597	66,752	67,082
Total County	752,700	760,343	766,589	770,256	774,155
Total State	38,357,121	38,714,725	39,179,627	39,500,973	39,809,693

(1) As of January 1 for the year shown.
Source: Historical Population Estimates for Cities, Counties and the State, 2014-2018, California Department of Finance, May 2018.

Employment

The following table compares labor force, employment and unemployment for the County, the State and the United States. The unemployment rate in the County has consistently been lower than that of the State and the nation, as illustrated in the following table.

Table A-2
COUNTY OF SAN MATEO
ANNUAL AVERAGE LABOR FORCE AND INDUSTRY EMPLOYMENT
2013 through 2017(1)

Year	Area	Labor Force	Civilian Employment	Unemployment	Unemployment Rate
2013	County of San Mateo	403,600	381,800	21,800	5.4%
	State of California	18,551,000	16,970,000	1,581,000	8.5%
	United States	155,389,000	143,929,000	11,460,000	7.4%
2014	County of San Mateo	430,800	412,700	18,100	4.2%
	State of California	18,811,400	17,397,100	1,414,300	7.5%
	United States	155,922,000	146,305,000	9,617,000	6.2%
2015	County of San Mateo	437, 700	422,800	14,900	3.4%
	State of California	18,896,500	17,724,800	1,171,700	6.2%
	United States	154,130,000	148,834,000	8,296,000	5.3%
2016	County of San Mateo	445,400	431,900	13,500	3.0%
	State of California	19,093,700	18,048,800	1,044,800	5.5%
	United States	159,187,000	151,436,000	7,751,000	4.9%
2017	County of San Mateo	452,300	440,200	12,100	2.7%
	State of California	19,312,000	18,393,100	918,900	4.8%
	United States	160,320,000	153,337,000	6,982,000	4.4%

(1) Data not seasonally adjusted. Data may not add due to rounding. The County's unemployment date is calculated using rounded data.
Source: State of California Employment Development Department; United States Department of Labor Bureau of Labor and Statistics.

The principal employers in the county are set forth alphabetically in the following table.

Table A-3
COUNTY OF SAN MATEO
PRINCIPAL EMPLOYERS
2018

Employer	Type of Business
Electric Charging Station	Research Service
Electronic Arts Inc.	Game Designers (Manufacturers)
Facebook	Social Media
Fisher Investments	Investment Management
Forced Dump Debris Box Service	Garbage Collection
Franklin Templeton Investments	Investments
Genentech Inc.	Biotechnology Products & Services
Gilead Sciences Inc.	Biological Products (Manufacturers)
Guckenheimer Inc.	Marketing Programs & Services
Kaiser Permanente Redwood City	Physicians & Surgeons
Kaiser Permenente South Sn	Hospitals
Lpch	Health Care Facilities
Mills-Peninsula Health Svc	Health Care Management
Oracle Corp	Computer Software-Manufacturers
San Francisco Intl Airport-SFO	Airports
San Mateo County	Government Offices-County
San Mateo Medical Ctr	Hospitals
Sciex LLC	Scientific Apparatus & Instruments-Mfrs
SMC Tax Collector	Tax Return Preparation & Filing
SRI International Inc.	Engineers-Research
Tectura Corp	Computer-System Designers & Consultants
US Interior Dept	Government Offices-Us
Visa	Credit Card & Other Credit Plans
	Associations
	Credit Card & Other Credit Plans

Source: State of California Employment Development Department, as extracted from the America's Labor Market Information. System (ALMIS) Employer Database, 2018 2nd Edition. Excludes the Lucile Packard Children's Hospital (Stanford) because the main hospital is located in Santa Clara County.

Industry and Employment

The largest industries in the County, in terms of the percentage of employment in each respective industry, are set forth in the following table.

Table A-4
COUNTY OF SAN MATEO
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY
2017(1)

Industry	Number of County Employees	% of County Employment
Professional and Business Services	80,700	21.4%
Trade, Transportation & Public Utilities	76,600	20.3
Education and Health Services	46,800	12.4
Leisure and Hospitality	43,300	11.4
Other	13,600	3.6
Government	33,600	8.9
Information	33,300	8.8
Manufacturing	26,400	7.0
Financial Activities	22,300	5.9
Total(2)	376,600	100.0%

(1) All information updated per March 2017 Benchmark. Data for 2018 is not yet available.
(2) Totals may not add due to rounding.
Source: State of California Employment Development Department, Labor Market Information Division.

The following table shows employment by industry group in the County.

Table A-5
COUNTY OF SAN MATEO
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP(1)
2013 through 2017(2)
(In Thousands)

Industry Group	2013	2014	2015	2016	2017
Total Farm	1.7	1.7	1.7	1.8	1.7
Total Nonfarm	353.2	370.5	370.0	382.4	395.3
Mining, Logging and Construction	16.8	19.0	17.1	17.2	18.5
Manufacturing	25.5	25.7	25.3	24.7	26.4
Durable Goods	11.9	11.7	11.0	10.5	10.8
Nondurable Goods	13.5	14.0	14.3	14.2	15.6
Trade, Transportation & Public Utilities	72.3	74.3	72.8	74.6	76.6
Wholesale Trade	11.2	11.6	12.0	11.9	11.6
Retail Trade	34.1	35.1	33.2	33.2	33.3
Transportation, Warehousing & Utilities	27.1	27.7	27.6	29.5	31.7
Information	23.8	26.2	27.2	30.5	33.5
Financial Activities	20.2	20.7	21.2	22.1	22.3
Finance & Insurance	13.9	14.3	14.6	15.2	15.4
Real Estate & Rental & Leasing	6.3	6.3	6.6	6.9	6.9
Professional & Business Services	71.2	75.4	74.2	79.6	80.7
Professional, Scientific & Technical Services	45.2	47.1	48.4	51.8	51.7
Management of Companies & Enterprises	4.6	5.7	6.4	6.9	7.7
Administrative & Support & Waste Services	21.5	22.6	19.4	20.9	21.3
Educational & Health Services	40.1	42.8	44.0	44.8	46.8
Educational Services	6.3	7.3	7.8	8.1	8.2
Health Care & Social Assistance	33.8	35.5	36.2	36.7	38.6
Leisure & Hospitality	39.4	41.2	41.6	42.2	43.3
Arts, Entertainment & Recreation	5.2	5.3	5.4	5.6	5.6
Accommodation & Food Services	34.3	35.9	36.2	36.6	37.7
Other Services	13.4	13.9	14.0	13.6	13.6
Government(3)	30.4	31.2	32.6	33.1	33.6
Federal Government	3.6	3.7	3.7	3.7	3.7
State Government	0.6	0.6	0.6	0.6	0.6
Local Government	26.2	26.9	28.3	28.8	29.3
Total All Industries(4)	354.8	372.2	371.7	384.2	397.0

(1) Employment is by place of work and does not include persons who are involved in labor management trade disputes, self-employed, or unpaid family workers.
(2) All information updated per March 2017 Benchmark. Data for 2018 is not yet available.
(3) Includes all civilian government employees regardless of activity in which engaged.
(4) Totals may not add due to rounding.
Source: State of California Employment Development Department, Labor Market Information Division

Per Capita Income

Per capita income figures for the County, the State and the United States are presented in the following table. In 2014, the latest year for which annual data is available, the County's per capita income was 79.3% higher than that of the State and 94.7% higher than that of the United States.

Table A-6
COUNTY OF SAN MATEO
PER CAPITA INCOME
2012 through 2016[(1)]

Year	County	State	United States
2012	$87,523	$48,369	$44,282
2013	87,045	48,369	44,493
2014	92,759	51,344	46,494
2015	101,264	54,718	48,451
2016	105,721	56,374	49,246

(1) Data is not yet available for 2017.
Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA1-3 Personal Income Summary (per capita personal income).

Commercial Activity

Commercial activity is an important contributor to the county's economy. The following table shows the county's taxable transactions by type of business.

Table A-7
COUNTY OF SAN MATEO
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
2012 through 2016[(1)]
($ in Thousands)

Type of Business	2012	2013	2014	2015	2016
Motor Vehicle and Parts Dealers	$ 1,464,005	$ 1,682,692	1,831,220	1,945,310	1,902,427
Home Furnishings and Appliance Stores	750,756	778,642	810,355	816,315	897,143
Building Materials/ Garden Equipment/ Supplies Dealers	758,787	843,865	884,697	947,423	958,806
Food and Beverage Stores	563,507	584,609	610,223	636,760	650,941
Gasoline Stations	1,262,692	1,250,794	1,158,444	940,292	850,055
Clothing and Clothing Accessories Stores	683,382	727,281	786,446	808,788	805,349
General Merchandise Stores	1,130,266	1,131,430	1,124,294	945,470	906,752
Food Services and Drinking Places	1,502,049	1,612,392	1,754,088	1,931,719	2,027,889
Other Retail Group	1,161,700	1,323,935	1,318,949	1,329,119	1,394,693
All Other Outlets	4,629,834	4,675,976	5,019,717	5,176,813	5,264,519
Total All Outlets[(2)]	**$ 13,906,978**	**$ 14,611,618**	**15,298,434**	**15,478,010**	**15,658,573**

(1) Annual data is not yet available for 2017.
(2) Totals may not add due to rounding.
Source: Taxable Sales In California (Sales and Use Tax) Reports California State Board of Equalization.

Error! Unknown document property name.

Construction Activity

The total valuation of building permits issued in the County amounted to approximately $1.82 billion in 2014 for both residential and commercial construction. The following table provides a building permit valuation summary for the County.

Table A-8
COUNTY OF SAN MATEO
NEW BUILDING PERMIT VALUATION
2012 through 2016(1)
($ in Thousands)

Type of Permit	2012	2013	2014	2015	2016
Residential:					
New Single-Dwelling	$ 245,163	$ 292,893	$ 289,903	$ 374,275	$ 367,334
New Multi-Dwelling	171,390	151,019	168,859	259,181	252,560
Additions/ Alterations	201,543	299,830	348,231	408,011	395,240
Total Residential(1)	$ 618,097	$ 743,743	$ 806,993	$ 1,041,467	$ 1,015,135
Non Residential:					
New Commercial	$ 83,374	$ 165,578	$ 432,585	$ 427,063	$ 683,630
New Industrial	2,021	15,724	9,600	--	4,954
Other	1,975	58,726	84,241	94,031	195,895
Additions/Alterations	167,438	263,460	490,364	489,389	728,965
Total Non Residential(2)	$ 254,810	$ 503,490	$ 1,016,790	$ 1,010,485	$ 1,613,445
Total Valuation(2)	$ 82,907	$ 1,247,233	$ 1,823,783	$ 2,051,952	$ 2,628,580

(1) Annual data is not yet available for 2017.
(2) Totals may not add up due to independent rounding.
Source: California Homebuilding Foundation I Construction Industry Research Board.

Transportation

San Francisco International Airport. San Francisco International Airport (the "Airport") is located in an unincorporated area of the County. The Airport Council International reports that the Airport was the seventh busiest airport in the United States in terms of passenger volume in 2017. Fifty two major passenger and commuter airlines fly from the Airport, and twenty-nine of them serve international destinations. The Airport served 55.8 million passengers in 2017, and increase of 4.8% from 2016.

The Airport handled 441,797 metric tons of cargo in fiscal year ending June 30, 2017, a 19.2% increase over the previous fiscal year.

Although the Airport is owned and operated by the City and County of San Francisco, it plays a very significant part in the economy of the County. Air transportation is the County's largest single industry. According to an Economic Impact Study of the Airport's economic impact prepared in 2017 by the Economic Development Research Group, Inc., in 2016, approximately 41,000 people were employed directly at SFO by the airlines, cargo carriers, restaurants, aviation suppliers, ground transportation and other Airport-related businesses.

The following table presents certain data regarding the Airport for its five most recent fiscal years.

Table A-9
SAN FRANCISCO INTERNATIONAL AIRPORT
PASSENGER, CARGO AND MAIL DATA
Fiscal Years Ended June 30, 2013 through 2017

Fiscal Year Ended June 30	Enplanements, Deplanements and In-transit Passengers	Freight and Express Air Cargo and U.S. and Foreign Mail (Metric Tons)
2013	44,742,521	370,195
2014	46,191,454	370,525
2015	48,243,910	441,797
2016	51,421,348	442,689
2017	53,976,956	535,558

Source: Airport Commission of the City and County of San Francisco, Financial Statements with Schedule of Passenger Facility Charges and Expenditures for Fiscal Years 2014-15, 2015-16 and 2016-17.

Port of Redwood City. The Port of Redwood City (the "Port") is also located in the County. The Port has a deep-water channel and handles bulk cargo including lumber and scrap metal. In its fiscal year ended June 30, 2017, the Port handled a total of 1,552,814 metric tons of cargo according to the Port Commission's most recent annual tonnage press release in July 2017.

San Francisco Bay Area Rapid Transit District ("BART"). The County is connected to downtown San Francisco and the East Bay by BART. In its fiscal year ending June 30, 2018 there were 33,170 station exits on an average weekday at the County's six stations (Daly City, Colma, South San Francisco, San Bruno, Millbrae and the Airport). This represents a 2% increase from the prior fiscal year.

Caltrain. Caltrain, the three-county commuter railway system that runs between San Francisco and Gilroy, added its lines of express service from San Francisco to San Jose in 2004. Caltrain reported an average weekday ridership count of 65,095 passengers in its 2018 annual passenger count, a 1.5% increase from the prior year count. Average weekday ridership has increased by more than 171.8% since 2004.

APPENDIX B

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2021A Bonds (for purposes of this APPENDIX B only, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co. a consenting or voting right to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC or of its nominee, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and redemption proceeds, distributions, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The Authority cannot and do not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Authority is not responsible or liable for the failure of DTC or any Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

Neither the Authority nor the Trustee will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Participant, or any Indirect Participant; (ii) the payment by DTC or any Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Bonds; (iii) any notice that is permitted or required to be given to Holders under the Trust Agreement; (iv) the selection by DTC, any Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as Bondholder; or (vi) any other procedures or obligations of DTC, Participants or Indirect Participants under the book-entry system.

APPENDIX C

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS
OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), dated as of _______, 2021, is executed and delivered by the County of San Mateo (the "County") and U.S. Bank National Association, as Dissemination Agent (as hereinafter defined), in connection with the issuance of $___________ San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds (Federally Taxable), 2021 Series A (the "Bonds"). The Bonds are being issued pursuant to the Marks Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, and a Trust Agreement, originally dated as of April 15, 1994, by and between the San Mateo County Joint Powers Financing Authority (the "Authority") and U.S. Bank National Association (the "Trustee"), as amended and supplemented and as further supplemented by an Tenth Supplemental Trust Agreement, dated as of June 1, 2021 relating to the Bonds. The County and the Dissemination Agent covenant and agree as follows:

SECTION 1. **Purpose of this Disclosure Agreement**. This Disclosure Agreement is being executed and delivered by the County pursuant to the Trust Agreement for the benefit of the Owners (as hereinafter defined) and Beneficial Owners (as hereinafter defined) of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the Rule (as hereinafter defined).

SECTION 2. **Definitions.** The definitions set forth in the Trust Agreement shall apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section. The following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Disclosure Report" shall mean any Disclosure Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean U.S. Bank National Association or any other person authorized to act on his behalf, acting in the capacity of Dissemination Agent, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA System" shall mean the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

"Fiscal Year" shall mean the one-year period ending on June 30 of each year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule.

"Official Statement" shall mean the Official Statement issued by the County in connection with the sale of the Bonds.

"Owner" or "Bondowner" shall mean any person who shall be the registered owner of any one or more of the Bonds.

"Participating Underwriter" shall mean any of the underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as the same may be amended from time to time.

SECTION 3. **Provision of Disclosure Reports**.

(a) The County shall, or shall cause the Dissemination Agent to, not later than March 30 of each year, commencing on March 30, 2022, with the report for the fiscal year ending June 30, 2021, provide to the MSRB through its EMMA System a Disclosure Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. If the Dissemination Agent is other than the County or the U.S. Bank National Association, not later than fifteen (15) days prior to said date, the County shall provide the Disclosure Report to the Dissemination Agent (if other than the County). The Disclosure Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the County may be submitted separately from the balance of the Disclosure Report and later than the date required above for the filing of the Disclosure Report if they are not available by that date. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than fifteen (15) Business Days prior to the date set forth in paragraph (a) above for providing the Disclosure Report to the MSRB, the County shall provide the Disclosure Report to the Dissemination Agent (if other than the County). If by such date, the Dissemination Agent has not received a copy of the County's Disclosure Report, the Dissemination Agent shall contact the County to determine if the County is in compliance with the first sentence of this subsection.

(c) If the Dissemination Agent is unable to verify that a Disclosure Report has been provided to the MSRB through its EMMA System by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(d) If the Dissemination Agent is other than the County, the Dissemination Agent shall file a report with the County certifying that the Disclosure Report has been provided to the MSRB through the EMMA System pursuant to this Disclosure Agreement.

SECTION 4. **Content of Disclosure Reports**. The County's Disclosure Report shall contain or include by reference the following:

1. The audited financial statements of the County for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

2. To the extent not included in the audited financial statements of the County, the Annual Report shall also include tabular or numerical information for the prior Fiscal Year of the types contained in the Official Statement under the following captions and/or sub-captions:

a. Table 4, Adopted County Budget – General Fund;

b. Table 14, Summary of Tax Levies and Collections – Secured Property Tax Roll;

c. Table 17, Secured Roll Assessed Valuation; and

d. Table 20, Ten Largest Taxpayers – Entire Roll.

3. A description of any occurrence which would adversely impact the County's beneficial use of the Facilities and any other occurrence which may provide the County with the opportunity to abate in whole or in part any Base Rental Payments.

The County has not undertaken in this Disclosure Agreement to provide all information an investor may want to have in making decisions to hold, sell or buy the Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through its EMMA System. The County shall clearly identify each such other document so included by reference.

SECTION 5. **Reporting of Significant Events**.

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given notice of the occurrence of any of the following events (a "Listed Event") with respect to the Bonds:

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 their 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 Bonds, or other material events affecting the tax status of the Bonds;

7. modifications to rights of Bond owners, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the County. For purposes of this event the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County 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 the County or the sale of all or substantially all of the assets of the County (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; and

14. appointment of a successor or additional trustee, or the change of name of a trustee, if material.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, but, in the case of a Listed Event described in Subsection 2, 7, 8 (but only with respect to bond calls), 10, 13 and 14 of Section 5(a), only in the event the County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall file or shall cause to be filed a notice of such occurrence with the MSRB through its EMMA System, in an electronic format as prescribed by the MSRB, in a timely manner but not in excess of 10 business days after the occurrence of such Listed Event.

(c) If the Dissemination Agent is other than the County, the Dissemination Agent shall, as soon as reasonably practicable after obtaining actual knowledge of the occurrence of any of the Listed Events contact the County and request that the County promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsections (a) and (b) and promptly direct the Dissemination Agent whether or not to report such event to the Bondowners. In the absence of such direction, the Dissemination Agent shall not report such event. The Dissemination Agent may conclusively rely upon such direction (or lack thereof). For purposes of this Disclosure Agreement, actual knowledge of the occurrence of such Listed Events shall mean actual knowledge by the Dissemination Agent. The Dissemination Agent shall have no responsibility to determine the materiality of any of the Listed Events.

SECTION 6. **CUSIP Numbers**. Whenever providing information, including but not limited to Disclosure Reports, documents incorporated by reference in the Disclosure Reports, audited financial statements and notices of Listed Events, the County shall indicate the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 7. **Termination of Reporting Obligation**. The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(b) hereof.

SECTION 8. **Dissemination Agent**. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement.

The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the County apart from the relationship created by this Disclosure Agreement shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the County. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information disseminated hereunder. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the County for a response.

SECTION 9. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b), 9(a), 9(b) (excluding the requirement that the related determination be set forth in an opinion of nationally recognized bond counsel) or 9(c) (excluding the requirement that the related determination be set forth in an opinion of nationally recognized bond counsel), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondowners in the same manner as provided in the Trust Agreement, as applicable, for amendments to the Trust Agreement, respectively, with the consent of Bondowners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondowners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the County shall describe such amendment in the next Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. **Additional Information**. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Disclosure Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Disclosure Report or notice of occurrence of a Listed Event.

SECTION 11. **Default**. In the event of a failure of the County or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Participating Underwriter, Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement or the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. **Duties, Immunities and Liabilities of Dissemination Agent**. A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. **Prior Undertakings**. The County hereby certifies that it is in compliance in all material respects with all prior undertakings made by it pursuant to the Rule.

SECTION 14. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, if any, the Participating Underwriters and Bondowners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. **Notices**. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the County:

County of San Mateo
County Government Center
400 County Center, 1st Floor
Redwood City, California 94063
Attention: County Manager

To the Dissemination Agent:	US Bank Global Corporate Trust 60 Livingston Ave, EP-MN-WS3C St. Paul, Minnesota 55107 Attention: Dan Sheff, Vice President

The County or the Dissemination Agent may, by written notice to the other parties acting hereunder, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 16. **Governing Law**. The laws of the State of California shall govern this Disclosure Agreement, the interpretation thereof and any right or liability arising hereunder, without regard to principles of conflict of law.

SECTION 17. **Counterparts**. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one in the same instrument.

IN WITNESS WHEREOF, this Disclosure Agreement is given this _____ day of _______, 2021 by the County.

COUNTY OF SAN MATEO

By:____

County Manager

U.S. BANK NATIONAL ASSOCIATION

By:____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Mateo County Joint Powers Financing Authority

Issue: $__________ San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds (Federally Taxable), 2021 Series A

Date of Issuance: __________, 2021

NOTICE IS HEREBY GIVEN that the County of San Mateo (the "County") has not provided a Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement relating to the Bonds. The County anticipates that the Disclosure Report will be filed by _______.

Dated: _______________, 20__

COUNTY OF SAN MATEO

By: [form only; no signature required]

APPENDIX G

GASB 45 REPORT OF POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS AS OF JUNE 30, 2020

Citigroup Global Markets Inc. | Public Finance Department

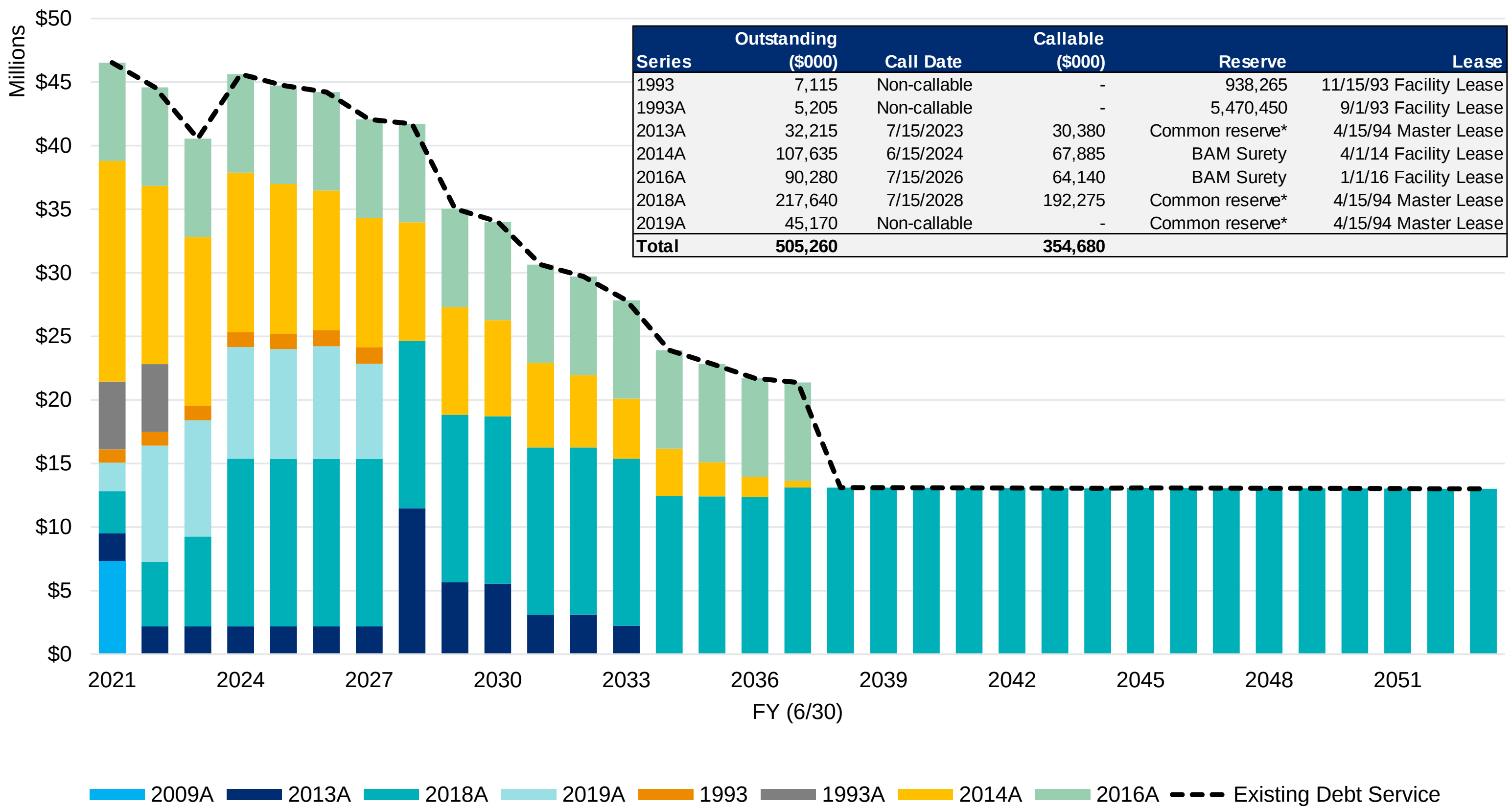
April 22, 2021

County of San Mateo

2021 Lease Revenue Bond Financing

Currently Outstanding Lease Revenue Bonds

Existing annual debt service ranges from $41 million to $47 million through FY2028, and steps down thereafter



Series	Outstanding ($000)	Call Date	Callable ($000)	Reserve	Lease
1993	7,115	Non-callable	-	938,265	11/15/93 Facility Lease
1993A	5,205	Non-callable	-	5,470,450	9/1/93 Facility Lease
2013A	32,215	7/15/2023	30,380	Common reserve*	4/15/94 Master Lease
2014A	107,635	6/15/2024	67,885	BAM Surety	4/1/14 Facility Lease
2016A	90,280	7/15/2026	64,140	BAM Surety	1/1/16 Facility Lease
2018A	217,640	7/15/2028	192,275	Common reserve*	4/15/94 Master Lease
2019A	45,170	Non-callable	-	Common reserve*	4/15/94 Master Lease
Total	**505,260**		**354,680**		

* The Common Reserve under the 1994 Master Lease includes $932,204 of cash and investments and AGM surety policies totaling $19,185,623.95 which expire on 7/15/2032 (per the 2019A OS)

Preliminary 2021 Plan of Finance

1. New Money

Cordilleras Mental Health Project
- $155M project funded with lease revenue bonds

Structure
- 2055 final maturity; 10-year par call
- No debt service reserve fund needed

2. County Equity

Maximizing Value to the County
- Allocate to debt not subject to state or federal reimbursements

Targeted Allocation
- Mitigate impact of Cordilleras debt
- Provide County with more breathing room for revenues to normalize

3. 2013A Refunding

Savings Opportunity
- $3.4 million present value savings at current rates (10.5%)

Considerations
- $932K reserve balance released
- Eliminates need to fund debt service reserve in the future

4. 2014A Refunding

Savings Opportunity
- $4.0 million present value savings at current rates (5.8%)

Interest Rate Sensitivity
- If rates increase by 35 basis points, 3.0% savings candidates drop by half

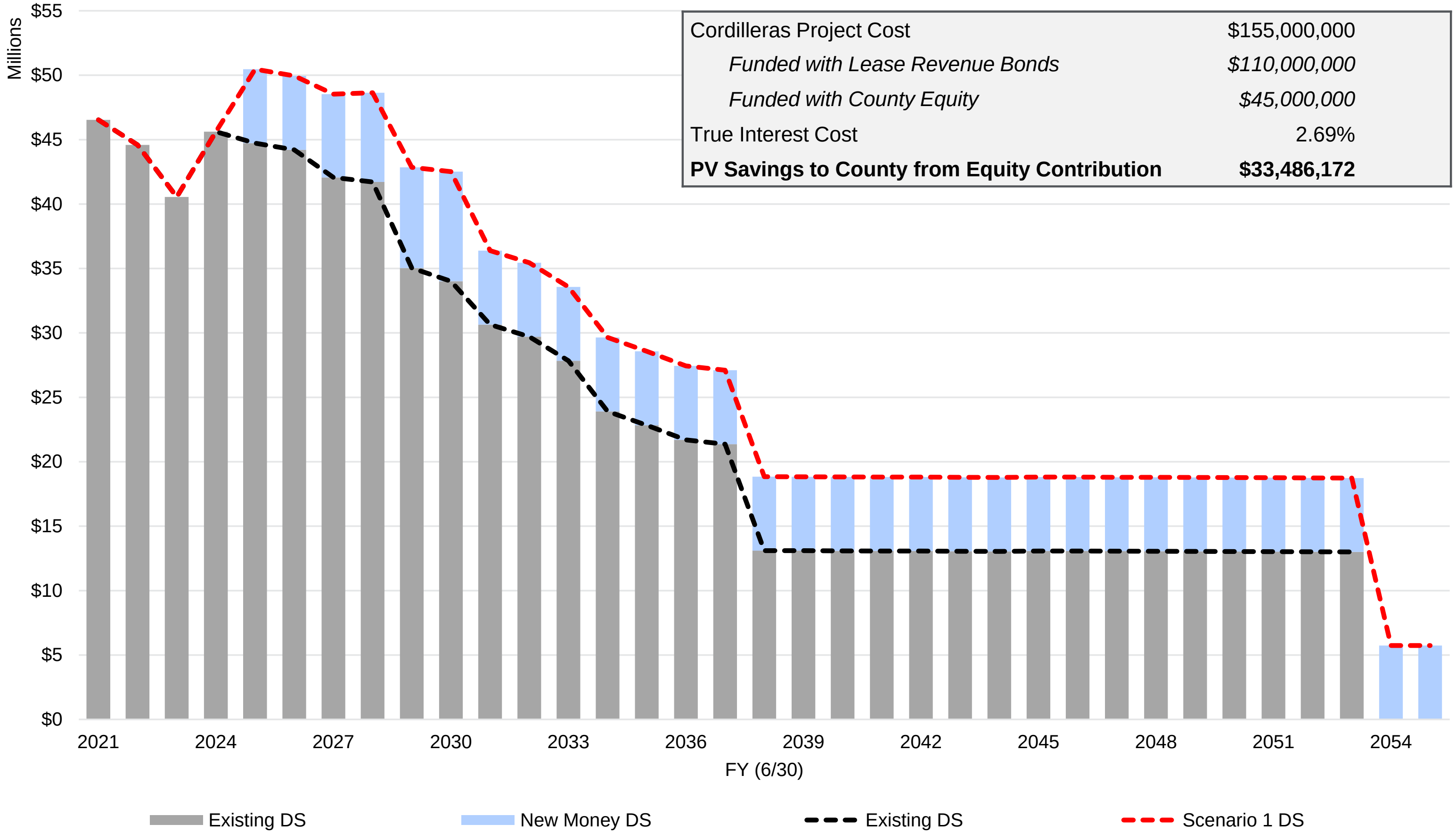
Results are preliminary and subject to change.

Item 7

Scenario 1. County Equity Targeted to Cordilleras Project

Scenario 1 assumes the County allocates $45 million of equity towards the Cordilleras Project

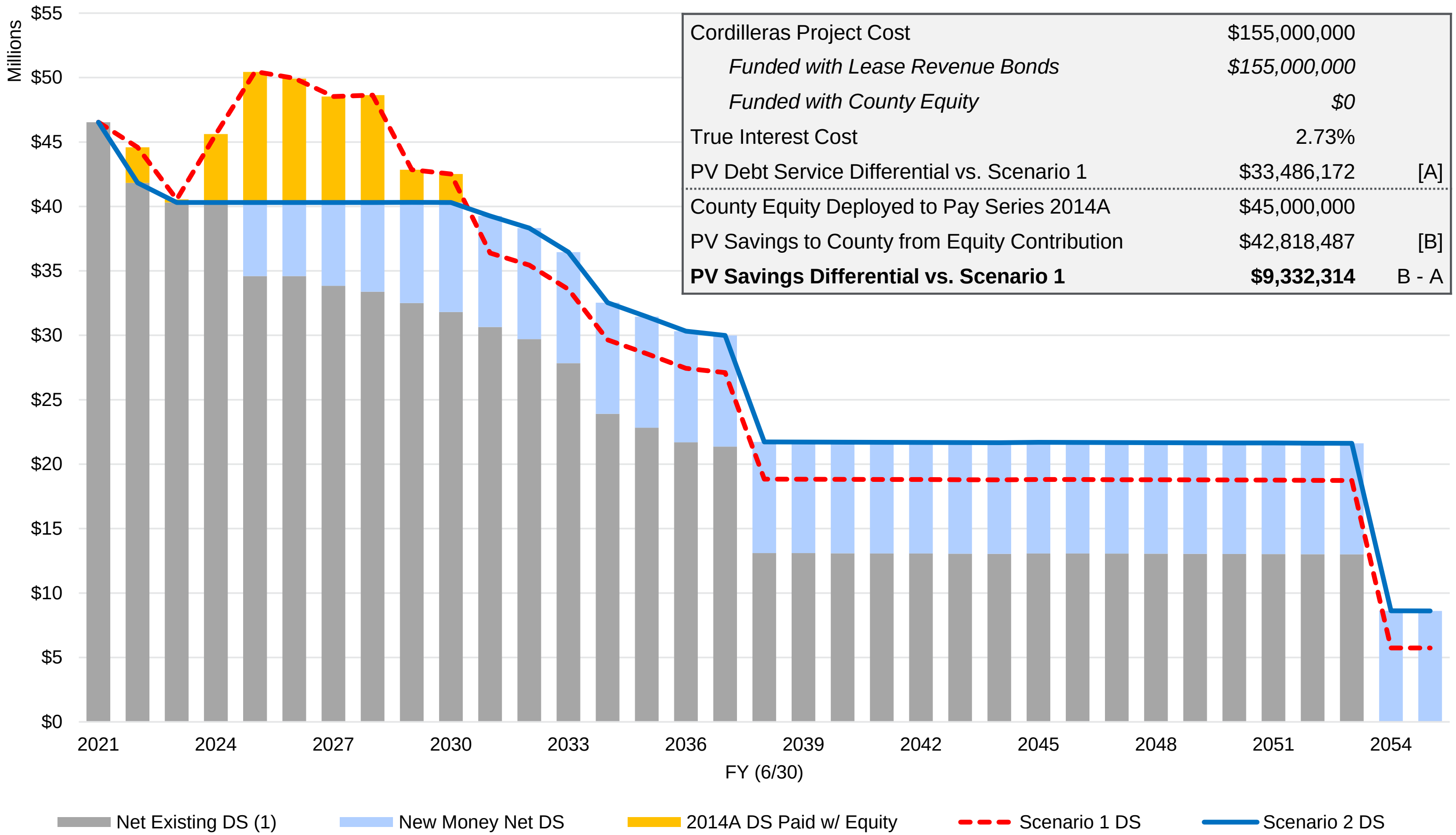
Cordilleras Project Cost	$155,000,000
Funded with Lease Revenue Bonds	*$110,000,000*
Funded with County Equity	*$45,000,000*
True Interest Cost	2.69%
PV Savings to County from Equity Contribution	**$33,486,172**



Results are preliminary and subject to change. New money debt service is shown net of interest capitalized through June 2024. PV savings of equity contribution to the Cordilleras project assumes the project is subject to State reimbursement at the rate of 25%. Savings present valued at 2.75%.

Scenario 2. County Equity Targeted to Series 2014A Debt Service

Scenario 2 assumes the County allocates $45 million of equity to pay a portion of Series 2014A debt service



Cordilleras Project Cost	$155,000,000	
Funded with Lease Revenue Bonds	*$155,000,000*	
Funded with County Equity	*$0*	
True Interest Cost	2.73%	
PV Debt Service Differential vs. Scenario 1	$33,486,172	[A]
County Equity Deployed to Pay Series 2014A	$45,000,000	
PV Savings to County from Equity Contribution	$42,818,487	[B]
PV Savings Differential vs. Scenario 1	**$9,332,314**	B - A

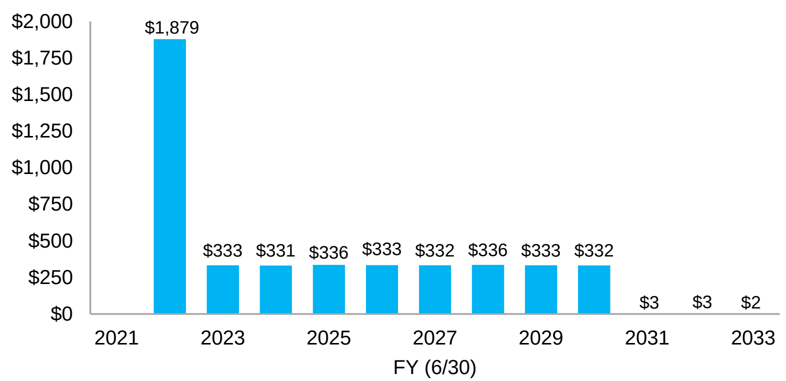
(1) Net Existing DS is shown net of debt service paid with County equity (shown in orange).
Results are preliminary and subject to change. New money debt service is shown net of interest capitalized through June 2024. PV savings of equity contribution assumes the 2014A Bonds are not subject to State reimbursement. Assumes 1.80% investment rate on County equity and savings present valued at 2.75%

2013 Series A Refunding Opportunity

Refunding the 2013A Bonds increases flexibility, enables release of reserves and produces 10.5% PV savings

- Triggers amendment eliminating the reserve requirement
  - Enables release of ~$900K reserve cash balance
- Savings can be frontloaded to reduce near-term debt service
  - No extension of final maturity
- $3.4 million present value savings at current rates (10.5%)
  - 105 basis point cushion before savings drop below 3.0%
- 200 basis point breakeven for waiting to execute a tax-exempt current refunding in 2023

Annual Debt Service Savings ($ Thousands)



2013 Series A Bonds	
Outstanding Principal	$32,215,000
Callable Principal	$30,380,000
Tax Status	Tax-Exempt
Average Coupon	4.97%
Call Date	July 15, 2023
Final Maturity	July 15, 2032
2021 Refunding Bonds	
Refunded Principal	$32,215,000
Refunding Principal	$35,435,000
Tax Status	Taxable
Average Coupon	1.77%
Call Date	July 15, 2031
Final Maturity	July 15, 2032
Savings	
Structure	Frontloaded Savings
Gross Savings	$4,552,685
PV Savings	$3,380,872
PV Savings (%)	10.5%
Escrow Efficiency	75.8%

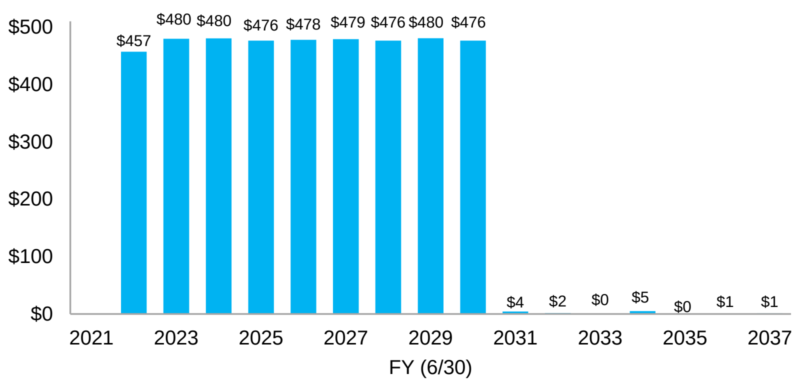
Preliminary and subject to change. Assumptions: rates and market conditions as of 4/19/21; closing on 6/29/21; SLGS escrow; $932,204 Common Reserve balance released to financing.

2014 Series A Refunding Opportunity

The 2014 Series A Bonds can be refunded for debt service savings at current rates

- $4.0 million present value savings at current rates
  - 5.8% of refunded principal
- Savings can be frontloaded to reduce near-term debt service
  - No extension of final maturity
- If rates increase by 35 basis points, candidates meeting a 3.0% savings threshold drop by half
- 230 basis point breakeven for waiting to execute a tax-exempt current refunding in 2024

Annual Debt Service Savings ($ Thousands)



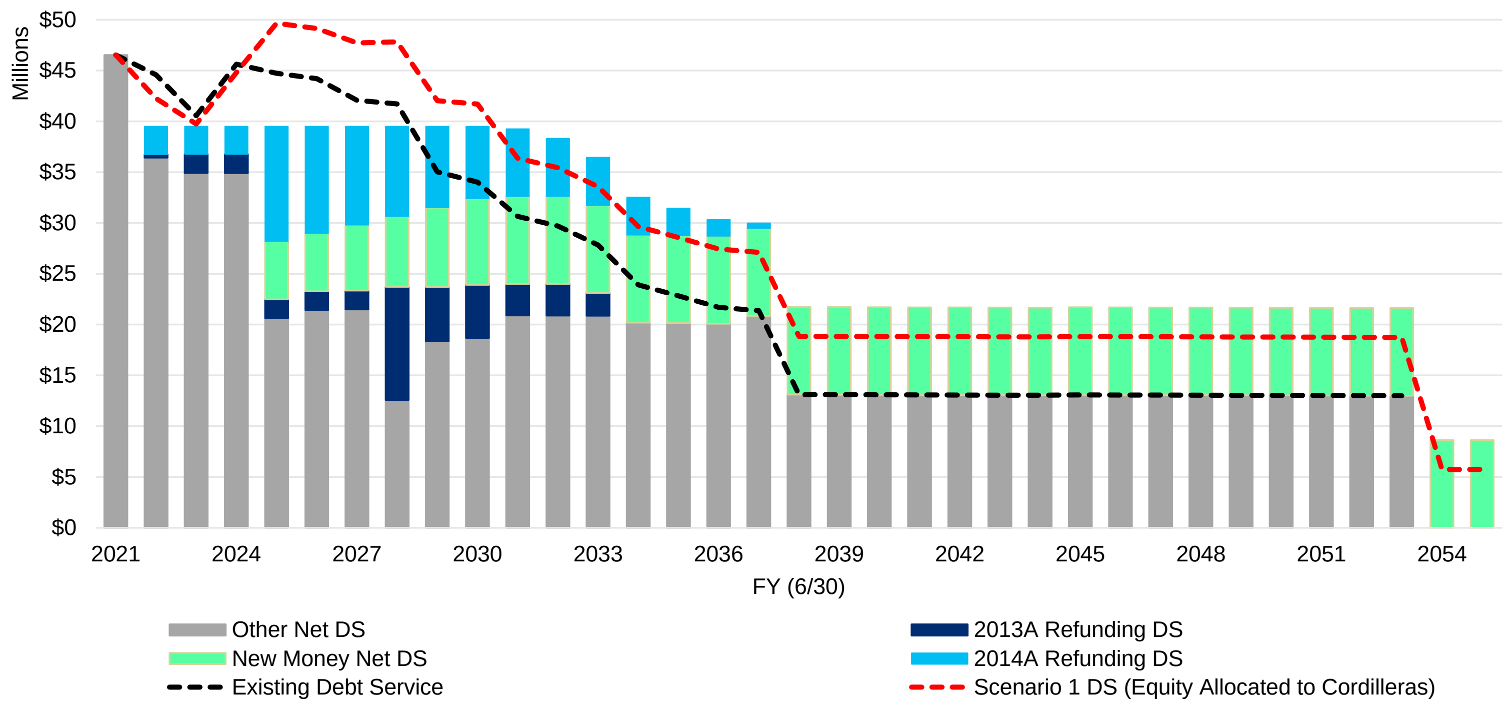
2014 Series A Bonds	
Outstanding Principal	$95,415,000
Callable Principal	$67,885,000
Tax Status	Tax-Exempt
Average Coupon	4.60%
Call Date	June 15, 2024
Final Maturity	June 15, 2037
2021 Refunding Bonds	
Refunded Principal	$67,885,000
Refunding Principal	$77,465,000
Tax Status	Taxable
Average Coupon	1.96%
Call Date	June 15, 2031
Final Maturity	June 15, 2037
Savings	
Structure	Frontloaded Savings
Gross Savings	$4,297,200
PV Savings	$3,958,206
PV Savings (%)	5.8%
Escrow Efficiency	53.6%

Preliminary and subject to change. Assumptions: rates and market conditions as of 4/19/21; closing on 6/29/21; SLGS escrow.

Aggregate Debt Service After 2021 Plan of Finance

- The chart below illustrates revised aggregate lease revenue bond debt service after the 2021 plan of finance, including:
  1. Issuing new money bonds for the $155 million Cordilleras project
  2. Allocating $45 million County equity towards Series 2014A debt service to levelize aggregate debt service
  3. Refunding 2013A bonds for debt service savings
  4. Refunding 2014A bonds for debt service savings

Aggregate Lease Revenue Debt Service After 2021 Plan of Finance



Preliminary and subject to change. Other Net DS is reflects Existing Debt Service less: i) debt service paid with County equity, ii) refunded 2013A debt service, and iii) refunded 2014A debt service. Assumes County equity deposited to the County pool earns 1.80% annually; please see prior slides for additional assumptions.

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[TRADEMARK SIGNOFF: add the appropriate signoff for the relevant legal vehicle]

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