

**NOTICE AND AGENDA  
OF SPECIAL MEETING OF THE GOVERNING BOARD OF  
SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY**

Notice is hereby given of the time and place of a Special 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:

**\*\*\*SPECIAL IN-PERSON MEETING WITH REMOTE PARTICIPATION AVAILABLE\*\*\***

This meeting of the Authority will be held in Manzanita Hall at 500 County Center, Redwood City, California 94063. Members of the public will be able to participate in person at the meeting location or remotely via the Zoom platform.

\*For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Time: 11:00 a.m.

Date: Thursday, March 20, 2025

Place: Manzanita Hall  
500 County Center  
Redwood City, California 94063

Zoom Webinar Link: <https://smcgov.zoom.us/j/83355030588>

Phone: (669) 900-6833

Webinar ID: 833 5503 0588

*The agenda of said meeting shall be as follows:*

1. Roll Call
2. Welcome and introductions
3. Action to Set the Special Meeting Agenda
4. Adopt a resolution:
  - A) Authorizing the President, Secretary, Auditor Treasurer and Assistant Secretary of the Authority or designees (the "Authorized Officers"), acting in consultation with the County Attorney, to take all necessary and advisable steps to defease the Refunding Lease Revenue Bonds, 2016 Series A (Youth Services Campus), including but not limited to establishing an escrow account, purchasing securities for the escrow, and executing any related agreements, notices, approvals, or documents to effectuate the defeasance and to give effect to this Resolution; and
  - B) Approving a form of escrow agreement substantially in the form of Attachment A, to be used in connection with the defeasance authorized by this Resolution.
5. Other Updates:
  - a. Capital Projects
6. Adjournment

**\*Public Participation – Written Public Comments:**

- **NOTE:** Because this is a Special Meeting, all Public comments are limited to the identified agenda item only, and should be emailed to [rmanchia@scmgov.org](mailto:rmanchia@scmgov.org) and [sgolestan@scmgov.org](mailto:sgolestan@scmgov.org) and should include the specific agenda item on which you are commenting.
- 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:**

- **NOTE:** Because this is a Special Meeting, all Public comments are limited to the identified agenda item(s) only.
- Spoken public comments will be accepted during the meeting through Zoom (see Zoom link on the first page of the Agenda) or in-person.
- 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.
- Zoom will prompt you to enter an email address and name. Your entered name will be visible online and 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.

*The JPFA Board has designated the office of the Clerk of the Board of Supervisors, located at 500 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://www.scmgov.org/ceo/joint-powers-financing-authority>.*

AFFIDAVIT OF POSTING AND OF MAILING OF NOTICE

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 March 17, 2025, at County Government Building, 500 County Center, Redwood City, California, a location freely accessible to members of the public, and emailed on March 17, 2025 a Notice of Special 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 communication electronically mailed to the members' names shown on the attached list.

Dated: March 17, 2025, at Redwood City, California.

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

  
\_\_\_\_\_

Joint Powers Financing Authority Board Members

Paul T. Scannell

Donna Vaillancourt

Paul Okada

John C. Beiers

VACANT

**To:** Honorable Members of the Joint Powers Financing Authority  
**From:** Roberto Manchia, Assistant Secretary, Joint Powers Financing Authority  
**Subject:** Defeasance of Refunding Lease Revenue Bonds, 2016 Series A (Youth Services Campus)

**RECOMMENDATION:**

Adopt a resolution:

- A) Authorizing the President, Secretary, Auditor Treasurer and Assistant Secretary of the Authority or designees (the “Authorized Officers”), acting in consultation with the County Attorney, to take all necessary and advisable steps to defease the Refunding Lease Revenue Bonds, 2016 Series A (Youth Services Campus), including but not limited to establishing an escrow account, purchasing securities for the escrow, and executing any related agreements, notices, approvals, or documents to effectuate the defeasance and to give effect to this resolution; and
- B) Approving a form of escrow agreement substantially in the form of Attachment A, to be used in connection with the defeasance authorized by this resolution.

**BACKGROUND:**

The San Mateo County Joint Powers Financing Authority (the “Authority”) authorizes the issuance and sale of lease revenue bonds to finance critical capital projects and public infrastructure, as approved by the County of San Mateo.

A defeasance is a process by which an issuer satisfies a debt by escrowing monies sufficient to make debt service payments as they come due until the first available redemption date or maturity date, whichever comes first. At a high level, to defease debt service remaining on outstanding lease revenue bonds, the County would purchase a portfolio of securities through an escrow account to pay the bond debt service through the first optional redemption date. Once the escrow is funded, the defeased bonds are no longer outstanding debt and the bondholders look to the escrow for payment.

Defeasance can be beneficial to the County as a way to reduce financial obligations, save on debt service and provide more budget flexibility. The defeased bonds are no longer carried as a liability on the County’s Annual Comprehensive Financial Report (ACFR) and may facilitate the release of leased assets that secure the defeased bonds.

Defeasing bonds will repay all principal at the first optional call date, thereby saving the County from having to pay interest on that principal between the call date and maturity.

**DISCUSSION:**

On January 28, 2025, the County Board of Supervisors adopted a resolution authorizing the County Executive, or designees, to take steps to prepay and facilitate the

defeasance of all outstanding 2016 Series A Refunding Bonds (Youth Services Campus) (the “Bonds”). To effectuate this defeasance, staff recommends that the Authority, as issuer of the Bonds, authorize the President, Secretary, Auditor Treasurer and Assistant Secretary of the Authority or designees (the “Authorized Officers”), acting in consultation with the County Attorney, to take all necessary and advisable steps to defease the Bonds.

These Bonds were determined to be the best candidates for full defeasance for the following reasons:

- This bond series is callable on July 15, 2026, with final maturity date of July 15, 2036.
- All interest beyond the callable date is avoided.
- Defeasance cost is approximately \$75.8 million, which the County currently has available in cash on hand through one-time sources, including reserves.
- Defeasance would eliminate \$92.9 million of total debt service over the next ten or more years resulting in gross savings of \$17.3 million.
- Annual debt service savings for this series is approximately \$7.9 million, so that the defeasance would benefit the General Fund and provide greater flexibility to the County.

If the Authority approves the defeasance of the Bonds and provides the requested authorizations, the Authorized Officers will coordinate with the County Attorney’s Office and PRAG to take the following steps, among others as necessary and advisable:

1. Subscribe for State and Local Government Securities (SLGS) through a SLGSafe System, or use open market securities or cash defeasance, if and to the extent appropriate.
2. Have defeasance cash flows verified by a Certified Public Accounting Firm to ensure the sufficiency of the escrow to pay the 2016A Bonds debt service and redemption amount, if and to the extent required by the governing bond documents.
3. One week after subscription, settle on the purchase of escrow securities with escrow held by US Bank, the trustee for the Bonds.
4. When conditions are met and to the extent required by the governing bond documents, secure a defeasance opinion by County and Authority Bond Counsel, Orrick, Herrington & Sutcliffe, to confirm that the Bonds are defeased and therefore are no longer an outstanding debt.
5. Notify the market of the defeasance through a notice posted on the Electronic Municipal Market Access (EMMA) website, the municipal market’s free source of data and information on virtually all municipal bonds.

The proposed defeasance strategy for the Bonds represents a significant opportunity to reduce long-term liabilities and generate meaningful savings for the County.

**FISCAL IMPACT:**

If the County allocates \$77,000,000 from reserves now to pay off the Bonds through a defeasance, the County will save \$17,300,00 in debt service, and also create budgetary flexibility by freeing up \$7,900,00 annually for 12 years because those funds will no longer be required to make the debt service payments.

**RESOLUTION NO. .**

**SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY**

**RESOLUTION A) AUTHORIZING THE PRESIDENT, SECRETARY, AUDITOR TREASURER AND ASSISTANT SECRETARY OF THE AUTHORITY OR DESIGNEES (THE “AUTHORIZED OFFICERS”), ACTING IN CONSULTATION WITH THE COUNTY ATTORNEY, TO TAKE ALL NECESSARY AND ADVISABLE STEPS TO DEFEASE THE REFUNDING LEASE REVENUE BONDS, 2016 SERIES A (YOUTH SERVICES CAMPUS), INCLUDING BUT NOT LIMITED TO ESTABLISHING AN ESCROW ACCOUNT, PURCHASING SECURITIES FOR THE ESCROW, AND EXECUTING ANY RELATED AGREEMENTS, NOTICES, APPROVALS, OR DOCUMENTS TO EFFECTUATE THE DEFEASANCE AND TO GIVE EFFECT TO THIS RESOLUTION; AND B) APPROVING A FORM OF ESCROW AGREEMENT SUBSTANTIALLY IN THE FORM OF ATTACHMENT A, TO BE USED IN CONNECTION WITH THE DEFEASANCE AUTHORIZED BY THIS RESOLUTION**

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Resolved, by the Board of the San Mateo County Joint Powers Financing Authority (the “Authority”), that:

**WHEREAS**, the Authority authorizes the issuance and sale of lease revenue bonds to finance critical capital projects and public infrastructure, as approved by the County of San Mateo; and

**WHEREAS**, the Authority previously authorized the issuance and sale of the 2016 Series A Refunding Bonds (Youth Services Campus) (the “Bonds”); and

**WHEREAS**, on January 28, 2025, the County Board of Supervisors adopted a resolution authorizing the County Executive, or designees, to take steps to defease all outstanding Bonds; and

**WHEREAS**, in order to facilitate this defeasance, the Authority, as issuer of the Bonds, desires to authorize the President, Secretary, Auditor Treasurer and Assistant Secretary of the Authority or designees (the “Authorized Officers”), acting in consultation

with the County Attorney, to take all necessary and advisable steps to defease the Bonds;  
and

**WHEREAS**, the Board has been presented with and desires to approve a form of escrow agreement substantially in the form of Attachment A to be used in connection with the defeasance authorized by this Resolution.

**NOW, THEREFORE, BE IT RESOLVED**, that the President, Secretary, Auditor Treasurer and Assistant Secretary of the Authority or designees (the “Authorized Officers”), are hereby authorized, acting in consultation with the County Attorney, to take all necessary and advisable steps to defease the Refunding Lease Revenue Bonds, 2016 Series A (Youth Services Campus), including but not limited to establishing an escrow account, purchasing securities for the escrow, and executing any related agreements, notices, approvals, or documents to effectuate the defeasance and to give effect to this resolution.

**BE IT FURTHER RESOLVED AND ORDERED** that the form of escrow agreement substantially in the form of Attachment A, to be used in connection with the defeasance authorized by this Resolution is hereby approved.

PASSED AND ADOPTED this \_\_\_ day of \_\_\_\_, 2025.

\_\_\_\_\_  
President

ATTEST:

By \_\_\_\_\_  
Secretary

\* \* \*

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**ESCROW AGREEMENT**

by and between

SAN MATEO COUNTY JOINT POWERS FINANCING AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of \_\_\_\_ 1, 2025

relating to the

San Mateo County Joint Powers Financing Authority  
Lease Revenue Bonds (Youth Services Campus)  
2016 Series A

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## TABLE OF CONTENTS

	<b>Page</b>
Section 1. Definitions.....	2
Section 2. Creation and Purpose of Escrow.....	3
Section 3. Redemption and Payment of the Refunded Bonds.....	4
Section 4. Bondholder Notices.....	4
Section 5. Substitution and Reinvestment of Escrow Securities.....	4
Section 6. Sufficiency of Escrow.....	5
Section 7. Termination of Escrow Agreement; Written Request of Authority.....	5
Section 8. Fees and Costs.....	5
Section 9. Reports.....	6
Section 10. Character of Deposit.....	6
Section 11. Limited Liability of Escrow Agent.....	6
Section 12. Time of Essence.....	8
Section 13. Amendments.....	8
Section 14. Successors; Merger or Consolidations.....	8
Section 15. Notices.....	9
Section 16. Severability.....	9
Section 17. Law Governing.....	9
Section 18. Counterparts.....	9
EXHIBIT A REFUNDED BONDS.....	A-1
EXHIBIT B REFUNDING REQUIREMENTS.....	B-1
EXHIBIT C ESCROW SECURITIES.....	C-1
EXHIBIT D NOTICE OF DEFEASANCE.....	D-1
EXHIBIT E NOTICE OF REDEMPTION.....	E-1

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of \_\_\_\_\_ 1, 2025, 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 \$107,600,000 aggregate principal amount of San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Youth Services Campus) 2016 Series A (the “2016 Series A Bonds”), pursuant to a Trust Agreement, dated as of January 1, 2016 (the “Trust Agreement”);

WHEREAS, for the purpose of defeasing all or a portion of the 2016 Series A Bonds (the “Refunded Bonds”), the County of San Mateo (the “County”) has prepaid and the Authority has accepted prepayment of a the base rental payments corresponding to the debt service on the 2016 Series A Bonds, and is contributing said prepayment to the defeasance of the 2016 Series A Bonds;

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, 2026 with respect to the Refunded Bonds.

“Refunded Bonds” means the portion of the Authority’s Outstanding 2016 Series A Bonds as further described in Exhibit A hereto.

“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 January 1, 2016 as supplemented and amended, including as further supplemented by the Ninth 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 [VERIFICATION AGENT].

“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 2016 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 [DATE] the Authority 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 in the amount of \$[ESCROW DEPOSIT] 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 hereof, 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 4.05 of the Trust Agreement for the 2016 Series A Bonds, and the Trustee hereby agrees to give such notices, which notices will be irrevocable, in accordance with Section 10.01(b) 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. 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  
500 County Center, 5th 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 (Youth Services Campus), 2016 Series A

<u>Maturity Date</u> <u>(July 15)</u>	<u>Outstanding</u> <u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
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EXHIBIT B

REFUNDING REQUIREMENTS

B-1

4151-4797-4424.4

EXHIBIT C

ESCROW SECURITIES

The following securities will be deposited into the Escrow Fund on [DEPOSIT DATE]:

EXHIBIT D

NOTICE OF DEFEASANCE

EXHIBIT E

NOTICE OF REDEMPTION

**San Mateo County Joint Powers Financing Authority  
Lease Revenue Bonds  
(Youth Services Campus), 2016 Series A**

Dated: \_\_\_\_\_