

RESOLUTION NO. _____

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

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF
SAN MATEO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF
REDWOOD CITY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES A**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, an election was duly called and regularly held in the Redwood City School District, County of San Mateo, California (herein called the "District"), on March 5, 2002, at which the following proposition summary was submitted to the electors of the District:

"In order to improve local schools by repairing school roofs, upgrading lighting with energy-saving equipment, providing access to disabled students, purchasing computers, improving fields to increase safety, and other building and equipment improvements as specified in the District's Bond Project List, shall the Redwood City Elementary School District issue \$22,000,000 of bonds at legal interest rates subject to specified accountability measures, including a Citizen's Oversight Committee to monitor bond expenditures and review financial audits?"

and

WHEREAS, at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, none of said bonds have heretofore been issued and sold; and

WHEREAS, the Board of Trustees of the District has requested this Board of

Supervisors of the County of San Mateo (the "County") to issue a portion of said bonds in a single series designated the "Redwood City School District General Obligation Bonds, Election of 2002, Series 2002" in an aggregate principal amount not exceeding \$22,000,000, and to authorize the sale of said bonds by a negotiated sale to U.S. Bancorp Piper Jaffray Inc. (the "Underwriter") pursuant to a Bond Purchase Contract (the "Bond Purchase Contract"), a form of which has been submitted to and is on file with the Clerk of this Board of Supervisors, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Trustees of the District on June 12, 2002, a certified copy of which has been filed with the Clerk of this Board of Supervisors; and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that said bonds be issued and sold by a negotiated sale for the purposes for which said bonds have been authorized and on the terms and conditions set forth in said resolution of the Board of Trustees of the District;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED

Section 1. Recitals: All of the above recitals are true and correct.

Section 2. District Resolution Incorporated: The resolution of the Board of Trustees of the District adopted on June 12, 2002, is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the bonds herein provided for, except as herein otherwise expressly provided.

Section 3. Authorization and Designation of Bonds: Pursuant to Section 15140 and following of the Education Code of the State of California, this Board of Supervisors hereby authorizes on behalf of the Redwood City School District, the issuance and sale of not to

exceed \$22,000,000 aggregate principal amount of bonds of the District and designates said bonds to be issued and sold as the "Redwood City School District General Obligation Bonds, Election of 2002, Series 2002" (herein called the "Series 2002 Bonds" or the "Bonds"). The Series 2002 Bonds shall be issued as Current Interest Series 2002 Bonds and Capital Appreciation Series 2002 Bonds, as provided in Section 5 hereof.

Section 4. Form of Bonds; Execution: (a) Book-Entry. The Depository Trust Company, New York, New York, is hereby appointed depository for the Series 2002 Bonds. The Series 2002 Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and registered ownership of the Series 2002 Bonds may not thereafter be transferred except as provided in Section 9 hereof. One bond certificate shall be issued for each maturity of the Current Interest Series 2002 Bonds, and one bond certificate shall be issued for each maturity of the Capital Appreciation Series 2002 Bonds.

(b) Form of Certificates. The Series 2002 Bonds shall be issued in fully registered form without coupons. The Current Interest Series 2002 Bonds, the Capital Appreciation Series 2002 Bonds, and the Paying Agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A and Exhibit B, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution; provided, that if a portion of the text of any Series 2002 Bond is printed on the reverse of the Series 2002 Bond, the following legend shall be printed on the face of such Series 2002 Bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH

CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.”

(c) Execution of Bonds. The Series 2002 Bonds shall be signed by the manual or facsimile signatures of the President of this Board of Supervisors and of the Treasurer-Tax Collector of the County (the “County Treasurer”), and countersigned by the manual or facsimile signature of the Clerk of this Board of Supervisors or by a deputy of either of said Clerk or of the County Treasurer. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent (as defined in Section 8(a) hereof).

(d) Valid Authentication. Only such of the Series 2002 Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series 2002 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(e) Identifying Number. The Paying Agent shall assign each Series 2002 Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

Section 5. Terms of Bonds: (a) Date of Bonds. The Current Interest Series 2002 Bonds shall be dated as of the date of delivery thereof, or such other date as shall be set forth in the Bond Purchase Contract.

The Capital Appreciation Series 2002 Bonds shall be dated the date of their delivery, or such other date as shall be set forth in the Bond Purchase Contract.

(b) Denominations. The Current Interest Series 2002 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

The Capital Appreciation Series 2002 Bonds shall be issued in denominations of \$5,000 accreted value at maturity ("maturity value") or any integral multiple thereof, except that the first numbered Capital Appreciation Series 2002 Bond may be issued in a denomination such that the maturity value of such Capital Appreciation Series 2002 Bond shall not be an integral multiple of \$5,000.

(c) Maturity. The Current Interest Series 2002 Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Bond Purchase Contract. No Current Interest Series 2002 Bond shall mature prior to August 1, 2003, and no Current Interest Series 2002 Bond shall mature later than the date which is 25 years from the date of the Current Interest Series 2002 Bonds, to be determined as provided in subsection (a) of this Section. No Current Interest Series 2002 Bond shall have principal maturing on more than one principal maturity date. The Bond Purchase Contract may provide that no Current Interest Series 2002 Bonds shall be issued, and that the Bonds shall consist entirely of Capital Appreciation Series 2002 Bonds.

The Capital Appreciation Series 2002 Bonds shall mature on the date or dates, in each of the years, and in such maturity values as shall be set forth in the Bond Purchase Contract. No Capital Appreciation Series 2002 Bond shall mature prior to August 1, 2003, and no Capital Appreciation Series 2002 Bond shall mature later than the date which is 25 years from the date

of the Capital Appreciation Series 2002 Bonds, to be determined as provided in subsection (a) of this Section. No Capital Appreciation Series 2002 Bond shall have principal maturing on more than one principal maturity date. The Bond Purchase Contract may provide that no Capital Appreciation Series 2002 Bonds shall be issued, and that the Bonds shall consist entirely of Current Interest Series 2002 Bonds.

The Current Interest Series 2002 Bonds may mature in the same year or years as the Capital Appreciation Series 2002 Bonds, without limitation. The aggregate principal amount of the Series 2002 Bonds issued as both Current Interest Series 2002 Bonds and as Capital Appreciation Series 2002 Bonds shall not exceed \$22,000,000.

(d) Interest. As used in this Resolution and in the Bonds, the terms “interest payment date,” and “interest date” shall be interchangeable, and shall mean February 1 and August 1 of each year, or such other dates specified in the Bond Purchase Contract.

The Current Interest Series 2002 Bonds shall bear interest at a rate not to exceed 12.00% per annum, first payable on February 1, 2003, and thereafter on February 1 and August 1 in each year (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Contract), computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Series 2002 Bond authenticated and registered on any date prior to the close of business on the first Record Date (as defined in Section 6(b)) shall bear interest from the date of said Current Interest Series 2002 Bond. Each Current Interest Series 2002 Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Current Interest Series 2002 Bond shall bear interest from the Interest Payment Date

immediately preceding the date of its authentication. If, at the time of authentication of any Current Interest Series 2002 Bond, interest is in default on any outstanding Current Interest Series 2002 Bonds, such Current Interest Series 2002 Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Current Interest Series 2002 Bonds.

The Capital Appreciation Series 2002 Bonds shall not bear current interest; each Capital Appreciation Series 2002 Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof at a compounded interest rate which shall not exceed 12.00% per annum, assuming in any semiannual period that the value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months. The interest on the Capital Appreciation Series 2002 Bonds shall be compounded commencing on February 1, 2003, and thereafter on February 1 and August 1 in each year (or on such other initial and semiannual interest dates as shall be set forth in the Bond Purchase Contract), and shall be payable only upon maturity or prior redemption thereof.

The "accreted value" per \$5,000 maturity value of the Capital Appreciation Series 2002 Bonds on each interest date may be given for reference in a table of accreted values prepared by the Underwriter and to appear in the Capital Appreciation Series 2002 Bonds; provided, that the accreted value determined in accordance with this Section shall prevail over any different accreted value given in said table, and the County takes no responsibility for the table of accreted values prepared by the Underwriter. Interest on the Capital Appreciation Series 2002 Bonds shall be payable only upon maturity or prior redemption thereof.

Section 6. Payment: (a) Principal. The principal of the Current Interest Series 2002 Bonds and the accreted value of the Capital Appreciation Series 2002 Bonds shall be payable, when due or upon redemption prior thereto, in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent (as described in Section 8(c) hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Current Interest Series 2002 Bonds shall be payable in lawful money of the United States of America to the Owner thereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed on such interest payment date (if a business day, or on the next business day if the interest payment date does not fall on a business day) to such Owner at such Owner's address as it appears on the bond registration books described in Section 8(c) or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made in immediately available funds (e.g., by wire transfer) to any Owner of at least \$1,000,000 of outstanding Current Interest Series 2002 Bonds who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any interest payment date. So long as Cede & Co. or its registered assigns shall be the Owner of the Series 2002 Bonds, payment shall be made in immediately available funds as provided in Section 9(d) hereof.

(c) Interest and Sinking Fund: Principal and interest due on the Series 2002 Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code of the State of California.

Section 7. Redemption Provisions: (a) Optional Redemption. The Series 2002 Bonds shall be subject to redemption, at the option of the District, on the dates and terms provided herein, or on such other dates and terms as shall be designated in the Bond Purchase Contract. The Bond Purchase Contract may provide that the Series 2002 Bonds shall not be subject to optional redemption, and may provide separate and distinct redemption provisions for the Current Interest Series 2002 Bonds and the Capital Appreciation Series 2002 Bonds.

Unless otherwise specified in the Bond Purchase Contract, the Current Interest Series 2002 Bonds shall be subject to optional redemption as follows: Current Interest Series 2002 Bonds maturing on or before August 1, 2012, shall not be subject to redemption prior to their respective stated maturity dates. The Current Interest Series 2002 Bonds maturing in each year beginning August 1, 2013, shall be subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2012. If less than all of the Current Interest Series 2002 Bonds are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Current Interest Series 2002 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

Unless otherwise specified in the Bond Purchase Contract, the Current Interest Series 2002 Bonds redeemed at the option of the District shall be redeemed at the following prices (expressed as a percentage of the principal amount of the Current Interest Series 2002 Bonds called for redemption), together with interest accrued thereon to the date of redemption:

<u>Redemption Date</u>	<u>Optional Redemption Price</u>
August 1, 2012 through July 31, 2013	101%
August 1, 2013 and thereafter	100%

Unless otherwise specified in the Bond Purchase Contract, the Capital Appreciation Series 2002 Bonds shall be subject to optional redemption as follows: Capital Appreciation Series 2002 Bonds maturing on or before August 1, 2012, shall not be subject to redemption prior to their respective stated maturity dates. The Capital Appreciation Series 2002 Bonds maturing in each year beginning August 1, 2013, shall be subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2012. If less than all of the Capital Appreciation Series 2002 Bonds are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Capital Appreciation Series 2002 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

Unless otherwise specified in the Bond Purchase Contract, the Capital Appreciation Series 2002 Bonds redeemed at the option of the District shall be redeemed at the following prices (expressed as a percentage of the accreted value of the Capital Appreciation Series 2002 Bonds called for redemption on the date of redemption):

<u>Redemption Date</u>	<u>Optional Redemption Price</u>
August 1, 2012 through July 31, 2013	101%
August 1, 2013 and thereafter	100%

(b) Mandatory Sinking Fund Redemption. The Current Interest Series 2002 Bonds, if any, which are designated in the Bond Purchase Contract as Current Interest Series 2002 Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Bond Purchase Contract. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Current Interest Series 2002 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Bond Purchase Contract may provide that the Current Interest Series 2002 Bonds shall not be subject to mandatory sinking fund redemption.

The Controller of the County is hereby authorized to create such sinking funds or accounts for the Series 2002 Bonds as shall be necessary to accomplish the purposes of this section.

(c) Notice of Redemption. Notice of optional, unscheduled or contingent redemption of any Series 2002 Bonds shall be given by the Paying Agent upon the written request of the District. Notice of any such redemption of Series 2002 Bonds shall be mailed postage prepaid, not less than 30 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 8(c), (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories, (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities, and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 15.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;
- (iii) the redemption date;
- (iv) the redemption price;
- (v) the dates of maturity of the Bonds to be redeemed;
- (vi) (if less than all of the Bonds of any maturity are to be redeemed) the distinctive numbers of the Bonds of each maturity to be redeemed;
- (vii) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds of each maturity to be redeemed;
- (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;
- (ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; and
- (x) notice that further interest on such Bonds will not accrue after the designated redemption date.

(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities depositories and information services as herein provided shall be conclusive as against all

parties. The actual receipt by the Owner of any Series 2002 Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (e) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the interest and sinking fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in said notice of redemption. Such moneys so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all moneys in the interest and sinking fund of the District

shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, said moneys shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from said fund; provided, however, that if said moneys are part of the proceeds of bonds of the District, said moneys shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

(f) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation to levy taxes as provided in Section 11 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by such Bonds, but only out of moneys on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (g) hereof shall apply in all events.

For purposes of this section, the District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the interest and sinking fund of the District, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(g) Unclaimed Moneys. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Section 8. Paying Agent: (a) Appointment. The County Treasurer, in Redwood City, California, is hereby appointed the initial Paying Agent for the Series 2002 Bonds (the "Paying Agent").

(b) Principal Corporate Trust Office. Unless otherwise specifically noted, any reference herein to the Paying Agent shall initially mean the Treasurer-Tax Collector of the

County of San Mateo, and any reference herein to the “principal corporate trust office” of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Series 2002 Bonds shall initially mean the office of the Treasurer-Tax Collector of the County of San Mateo in Redwood City, California; provided, however, that in any case “Paying Agent” shall refer to any successor paying agent/registrar or transfer agent for the Series 2002 Bonds, and “principal corporate trust office” shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

(c) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Series 2002 Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Series 2002 Bonds as provided in Section 9 hereof.

(d) Payment of Fees and Expenses. The fees and expenses of the Paying Agent not paid from the proceeds of sale of the Bonds shall be paid in each year from the interest and sinking fund of the District, insofar as permitted by law, including specifically by Section 15232 of the Education Code of the State of California.

(e) Replacement or Resignation of Paying Agent. The County Treasurer shall serve as Paying Agent until a successor Paying Agent shall be appointed and assume its duties hereunder. If, at any time, the County shall determine to replace any successor Paying Agent then acting hereunder, or if the Paying Agent shall submit its resignation, then the County Treasurer shall, in his or her sole discretion, immediately appoint a successor paying agent to act

as Paying Agent hereunder; provided that, if an immediate successor cannot be found, then the replacement or resignation of the Paying Agent shall not take effect for a period of 30 days, unless the County Treasurer shall agree to act as paying agent hereunder until such successor paying agent is able to assume the duties of Paying Agent hereunder.

Section 9. Transfer Under Book-Entry System; Discontinuation of Book-Entry System: (a) The Series 2002 Bonds shall be initially issued and registered as provided in Section 4. Registered ownership of such Series 2002 Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this section, upon receipt of the outstanding Series 2002 Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Series 2002 Bond for each maturity of Current Interest Series 2002 Bonds and each maturity of Capital Appreciation Series 2002 Bonds shall be executed and delivered (in the case of Current Interest Series 2002 Bonds, in the aggregate principal amount of the Current Interest Series 2002 Bonds then outstanding, and in the case of Capital Appreciation Series 2002 Bonds, in the aggregate maturity value of the Capital Appreciation Series 2002 Bonds then outstanding), registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this section, upon receipt of the outstanding Series 2002 Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Series 2002 Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Section 5, and thereafter, the Series 2002 Bonds shall be transferred pursuant to the provisions set forth in Section 10 of this resolution; provided, that the Paying Agent shall

not be required to deliver such new Series 2002 Bonds within a period of less than 60 days after the receipt of any such written request of the District or County.

(c) The County, the District and the Paying Agent shall be entitled to treat the person in whose name any Series 2002 Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the County, the District or the Paying Agent; and the County, the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series 2002 Bonds, and neither the County, the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner of any Series 2002 Bonds.

(d) So long as the outstanding Series 2002 Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Series 2002 Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (e.g., by wire transfer) on the date they are due.

Section 10. Transfer and Exchange: (a) Transfer. Following the termination or removal of the depository pursuant to Section 9 hereof, any Series 2002 Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 8(c) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2002 Bond to the Paying Agent for

cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Series 2002 Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 4, a new Series 2002 Bond or Bonds of the same series, maturity, interest payment mode and interest rate (in the case of Current Interest Series 2002 Bonds, for a like aggregate principal amount, and in the case of Capital Appreciation Series 2002 Bonds, for a like aggregate maturity value). The Paying Agent may require the payment by any Owner of Series 2002 Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of any Series 2002 Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on any Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Series 2002 Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

(b) Exchange. The Series 2002 Bonds may be exchanged for Series 2002 Bonds of other authorized denominations of the same maturity and interest payment mode, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2002 Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Series 2002 Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as

provided in Section 4, a new Series 2002 Bond or Bonds of the same maturity and interest payment mode and interest rate (in the case of Current Interest Series 2002 Bonds, for a like aggregate principal amount, and in the case of Capital Appreciation Series 2002 Bonds, for a like aggregate maturity value). The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchange of any Series 2002 Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on any Record Date to and including the succeeding interest date, or (2) the close of business on the date on which notice is given that such Series 2002 Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

Section 11. Obligation to Levy Taxes to Pay Bonds: The money for the payment of principal, redemption premium, if any, and interest with respect to the Series 2002 Bonds shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the interest and sinking fund of the District, and the Board of Supervisors of the County hereby covenants to levy ad valorem taxes for the payment of the Series 2002 Bonds on all property in the District subject to taxation by the County without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

Section 12. Sale of Bonds; Bond Purchase Contract: The Series 2002 Bonds shall be sold to the Underwriter not later than August 8, 2002. The Bond Purchase Contract submitted to and on file with the Clerk of this Board of Supervisors providing for the sale by this

Board of Supervisors and the purchase by the Underwriter of the Series 2002 Bonds at a purchase price to be set forth therein (which purchase price shall be approved by the County Treasurer, this Board of Supervisors hereby expressly delegating to such officer the authority to execute the Bond Purchase Contract on its behalf), is hereby approved; provided, that (i) the maximum true interest cost on the Series 2002 Bonds shall not be in excess of 8.00%, (ii) the maximum interest rate on the Current Interest Series 2002 Bonds shall not be in excess of 12.00% per annum; (iii) the effective compounded rate of interest on each Capital Appreciation Series 2002 Bond shall not exceed 12.00% per annum; (iv) the underwriter's discount shall not exceed 1.20% of the aggregate principal amount of the Series 2002 Bonds (excluding any costs of issuance of or bond insurance premium paid by the Underwriter); and (v) the Series 2002 Bonds shall otherwise conform to the limitations specified herein.

The Bond Purchase Contract shall recite the aggregate principal amount of the Series 2002 Bonds, and with respect to the Current Interest Series 2002 Bonds, shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof; and with respect to the Capital Appreciation Series 2002 Bonds, shall recite the date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity thereof, the initial and semiannual interest dates thereof, and the terms of optional and mandatory sinking fund redemption thereof. The Bond Purchase Contract, together with this Resolution, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code of the State of California.

The County Treasurer (or an authorized deputy or delegate of the County Treasurer) is hereby authorized and directed to accept the offer of the Underwriter when said

offer is satisfactory to the County Treasurer, and to execute and deliver the Bond Purchase Contract on behalf of the County in substantially the form now on file with this Board of Supervisors, with such changes therein as shall be approved by the authorized officer of the County executing the same, and such execution shall constitute conclusive evidence of the County Treasurer's approval and this Board of Supervisors' approval of any change therein from the form of such Bond Purchase Contract.

Section 13. Deposit and Investment of Proceeds: (a) The proceeds of sale of the Series 2002 Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District. Any premium and accrued interest shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury.

(b) All funds held by the County Treasurer hereunder shall be invested at the County Treasurer's discretion pursuant to law and the investment policy of the County.

(c) Investment earnings on the money in the building fund shall be deposited in the building fund. Investment earnings on the money in the interest and sinking fund shall be deposited in the interest and sinking fund.

Section 14. Tax Covenant: The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series 2002 Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and that it will comply with the requirements of the Tax Certificate of the District with respect to the Series 2002 Bonds, to be entered into by

the District as of the date of issuance of the Series 2002 Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Series 2002 Bonds.

Section 15. Continuing Disclosure Certificate: The County acknowledges and relies upon the fact that the District has represented that it shall execute a Continuing Disclosure Certificate containing such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The County acknowledges and relies upon the fact that the District has covenanted that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 16. Limited Responsibility for Official Statement: Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Series 2002 Bonds (the "Official Statement"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the County Treasurer, the County Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a preliminary Official Statement, and to certify prior to or upon the issuance of the Series 2002 Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 17. Approval of Actions: The President of this Board of Supervisors, the Clerk of this Board of Supervisors, the County Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them, are hereby authorized and directed to enter into agreements and execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, non-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Series 2002 Bonds, necessary and desirable to accomplish the transactions authorized herein.

Section 18. Effective Date: This resolution shall take effect immediately upon its passage.

* * * * *

PASSED AND ADOPTED this ____th day of June, 2002, by the Board of Supervisors of San Mateo County, following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

President
Board of Supervisors
San Mateo County

ATTEST:

Clerk of the Board of Supervisors
San Mateo County

By: _____

CLERK'S CERTIFICATE

I, John L. Maltbie, Clerk of the Board of Supervisors (the "Board") of the County of San Mateo, do hereby certify that the attached is a full, true and correct copy of a resolution and order duly adopted at a regular meeting of the Board duly and regularly and legally held at the regular meeting place thereof on June 25, 2002, and entered in the minutes thereof, of which meeting all the members of the Board had due notice and at which a quorum thereof was present; that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 555 County Center, Redwood City, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office. 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 _____, 2002.

Clerk of the Board of Supervisors
County of San Mateo

EXHIBIT A

[Form of Current Interest Series 2002 Bond]

Number UNITED STATES OF AMERICA Amount
R- STATE OF CALIFORNIA \$ _____
COUNTY OF SAN MATEO

REDWOOD CITY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES 2002

CURRENT INTEREST BOND

Maturity Date Interest Rate Dated as of CUSIP NO.
August 1, _____ % _____, 2002 _____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

On behalf of the Redwood City School District, County of San Mateo, State of California (herein called the "District"), the County of San Mateo hereby acknowledges itself obligated to and promises to pay, but only from taxes collected by the County for such purpose pursuant to Section 15250 of the Education Code of the State of California, to the registered owner identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the interest rate per annum stated above, commencing on February 1, 2003, and thereafter on February 1 and August 1 in each year, until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on January 15, 2003, it shall bear interest from the date hereof. If authenticated during the period between any Record Date (as defined below) and the close of business on its corresponding interest payment date, it shall bear interest from such interest payment date. Otherwise, this bond shall bear interest from the interest payment date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office (as defined in the Resolution) of the paying agent/registrars and transfer agent of the District (herein called the "Paying Agent"), initially the Treasurer-Tax Collector of the County of San Mateo. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of current interest Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated as "Redwood City School District General Obligation Bonds, Election of 2002, Series 2002" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on March 5, 2002. The Bonds are issued and sold by the Board of Supervisors of the County of San Mateo, State of California, pursuant to and in strict conformity with the provisions of the Constitution

and laws of said State, and of a resolution (herein called the "Resolution") adopted by said Board of Supervisors on June 25, 2002, and subject to the more particular terms specified in the Bond Purchase Contract, executed by the District and the County on _____.

The current interest Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no current interest Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, interest payment mode, interest rate, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations of the same series, interest payment mode, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, the District and the Paying Agent shall not be affected by any notice to the contrary.

The current interest Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution, and as further specified in the Redemption Schedule attached hereto. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law; that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond; and that this bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the interest and sinking fund of the District, and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the Board of Supervisors of the County of San Mateo has caused this current interest Series 2002 Bond of the Redwood City School District to be signed by its President and by the Treasurer-Tax Collector of the County, and to be countersigned by the Clerk of said Board, as of the date set forth above.

President of the Board of Supervisors
County of San Mateo

Treasurer-Tax Collector
County of San Mateo

Countersigned:

Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the current interest Series 2002 Bonds of the Redwood City School District described in the within-mentioned Resolution and authenticated and registered on _____.

SAN MATEO COUNTY TREASURER-TAX COLLECTOR,
Redwood City, California, as Paying Agent/Registrar and
Transfer Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____

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

REDEMPTION SCHEDULE

**REDWOOD CITY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 2002, SERIES 2002**

[from Bond Purchase Contract]

may be exchanged for a like aggregate maturity value of Bonds of the same series, interest payment mode, and maturity of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same series, interest payment mode and same aggregate maturity value will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, the District and the Paying Agent shall not be affected by any notice to the contrary.

The capital appreciation Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Resolution, and as further specified in the Redemption Schedule attached hereto. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Table of Accreted Values attached hereto has been prepared and furnished by the original purchaser of the capital appreciation Bonds, and the County and the District take no responsibility for any inaccuracy therein.

In reliance upon the representations, certifications and declarations of the District, the Board of Supervisors hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, and that this bond is in substantially the form prescribed by order of this Board duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the interest and sinking fund of the District, and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of said District.

This bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the Board of Supervisors of the County of San Mateo has caused this capital appreciation Series 2002 Bond of the Redwood City School District to be signed by its President and by the Treasurer-Tax Collector of the County, and to be countersigned by the Clerk of said Board, as of the date set forth above.

President of the Board of Supervisors
County of San Mateo

Treasurer-Tax Collector
County of San Mateo

Countersigned:

Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the capital appreciation Series 2002 Bonds of the Redwood City School District described in the within-mentioned Resolution and authenticated and registered on _____.

SAN MATEO COUNTY TREASURER-TAX COLLECTOR,
Redwood City, California, as Paying Agent/Registrar and
Transfer Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____

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

[TABLE OF ACCRETED VALUES]