

RESOLUTION NO. _____

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

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RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF BONDS OF THE JEFFERSON SCHOOL DISTRICT, PRESCRIBING THE TERMS OF SALE OF NOT TO EXCEED \$20,000,000 OF SAID BONDS, APPROVING FORMS OF AND AUTHORIZING DISTRIBUTION OF OFFICIAL NOTICE OF SALE AND NOTICE OF INTENTION TO SELL BONDS, DELEGATING TO THE TREASURER-TAX COLLECTOR AUTHORIZATION TO AWARD BID FOR SAID BONDS, AND AUTHORIZING EXECUTION OF NECESSARY CERTIFICATES.

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 Jefferson School District, County of San Mateo, California (herein called the "District"), on November 6, 2001, pursuant to Section 15100 and following of the Education Code of the State of California, at which the following proposition was submitted to the electors of the District:

"To provide elementary school students with warm, safe, dry classrooms that are conducive to learning by renovating and modernizing the school buildings in the Jefferson Elementary School District, including replacing old, inefficient heating and ventilating systems, aging plumbing and restrooms, outdated electrical systems, and other acquisition or construction of or improvements to school buildings and grounds, shall the Jefferson Elementary School District issue \$52,000,000 in bonds at interest rates within the legal limit?";

and

WHEREAS, at least two-thirds of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, \$15,000,000 aggregate principal amount of said bonds, designated "Jefferson School District General Obligation Bonds, Election of 2001 Series 2002" have heretofore been issued and sold; and

WHEREAS, pursuant to Education Code Section 15140 and following, the Board of Trustees of the District has requested this Board of Supervisors of the County of San Mateo (the "County") to authorize and consummate the sale and issuance of a portion of said bonds in a single series designated the "Jefferson School District General Obligation Bonds, Election of 2001, Series 2004" in an aggregate principal amount not exceeding \$20,000,000, according to the terms and in the manner set forth in a resolution duly adopted by the Board of Trustees of the District on November 12, 2003, a certified copy of which has been filed with the Clerk of this Board of Supervisors; and

WHEREAS, the Board of Trustees of the District has further deemed it necessary and desirable that this Board of Supervisors authorize the sale of said bonds by a competitive sale to the responsible bidder who makes the lowest interest cost bid; and

WHEREAS, this Board of Supervisors has determined that it is necessary and desirable that bonds of said authorized issue be issued and sold for the purposes for which authorized and on the terms and conditions and in the manner set forth in said resolution of the Board of Trustees of the District; and

WHEREAS, there have been submitted and are on file with the Clerk of this Board of Supervisors proposed forms of an Official Notice of Sale of Bonds and a Notice of Intention to Sell Bonds, with respect to not to exceed \$20,000,000 aggregate principal amount of Jefferson School District General Obligation Bonds, Election of 2001, Series 2004, proposed to be sold;

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: This Board of Supervisors hereby acknowledges receipt of the resolution of the Board of Trustees of the District adopted on November 12, 2003.

Section 3. Authorization and Designation of Bonds: Pursuant to Education Code Section 15140 and following, this Board of Supervisors hereby authorizes, on behalf of the Jefferson School District, the sale of not to exceed \$20,000,000 aggregate principal amount of bonds of the District by competitive sale to the responsible bidder who makes the lowest interest cost bid, and designates said bonds to be issued and sold as the "Jefferson School District General Obligation Bonds, Election of 2001, Series 2004" (the "Series 2004 Bonds" or the "Bonds"). The Series 2004 Bonds shall be issued as current interest Bonds, as provided in Section 5 hereof.

The Series 2004 Bonds shall be issued and sold as provided herein, and any necessary or desirable terms as are not finally determined herein shall be fixed upon the sale of the Bonds by the County Treasurer-Tax Collector of the County (the "County Treasurer-Tax Collector") as recited in the Certificate of Award described in Section 12(c) hereof (the "Certificate of Award").

Section 4. Form of Bonds; Execution: (a) Book-Entry. The Depository Trust Company, New York, New York, is hereby appointed depository for the Series 2004 Bonds. The Series 2004 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 2004 Bonds may not thereafter be transferred except as provided in Section 9 hereof. One bond certificate shall be issued for each maturity of the Series 2004 Bonds; provided that if different CUSIP numbers are assigned to Bonds maturing in a single year, additional Bond certificates shall be prepared for each such maturity.

(b) Form of Certificates. The Series 2004 Bonds shall be issued in fully registered form without coupons. The Series 2004 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, 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 2004 Bond is printed on the reverse of the Series 2004 Bond, the following legend shall be printed on the face of such Series 2004 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 2004 Bonds shall be signed by the manual or facsimile signature of the President of this Board of Supervisors and by the manual signature of the County Treasurer-Tax Collector, and countersigned by the manual or facsimile signature of the Clerk of this Board of Supervisors or a deputy of said Clerk, or by the manual signature of a deputy of the County Treasurer-Tax Collector. The Series 2004 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 2004 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 2004 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 2004 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 Series 2004 Bonds shall be dated February 1, 2004, or such other date as shall be specified in the Certificate of Award.

(b) Denominations. The Series 2004 Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) Maturity. The Series 2004 Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be specified in the Certificate of Award. No Series 2004 Bond shall mature prior to July 15, 2005, and no Series 2004 Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section. No Series 2004 Bond shall have principal maturing on more than one principal maturity date.

(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 January 15 and July 15 of each year, or such other dates as shall be specified in the Certificate of Award.

The Series 2004 Bonds shall bear interest at an interest rate not to exceed 12.00% per annum, first payable on January 15, 2005, and thereafter on January 15 and July 15 in each year (or on such other initial and semiannual interest payment dates as shall be specified in the Certificate of Award), computed on the basis of a 360-day year of twelve 30-day months. Each Series 2004 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 Series 2004 Bond. Each Series 2004 Bond authenticated during the period between a Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Series 2004 Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Series 2004 Bond, interest is in default on any outstanding Series 2004 Bonds, such Series 2004 Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Series 2004 Bonds.

Section 6. Payment: (a) Principal. The principal of the Series 2004 Bonds shall be payable 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 Series 2004 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 Series 2004 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 2004 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 2004 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 2004 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 specified in the Certificate of Award. The Certificate of Award may provide that the Series 2004 Bonds shall not be subject to optional redemption.

Unless otherwise specified in the Certificate of Award, the Series 2004 Bonds shall be subject to optional redemption as follows: Series 2004 Bonds maturing on or before July 15, 2011, shall not be subject to redemption prior to their respective stated maturity dates. The Series 2004 Bonds maturing in each year beginning July 15, 2012, 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 July 15, 2011. If less than all of the Series 2004 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 Series 2004 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 Certificate of Award, the Series 2004 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 Series 2004 Bonds called for redemption), together with interest accrued thereon to the date of redemption:

<u>Redemption Date</u>	<u>Optional Redemption Price</u>
July 15, 2011 through July 14, 2012	101%
July 15, 2012 and thereafter	100%

The "redemption date" is that date on which the Bonds which are called are to be presented for redemption.

(b) Sinking Fund Redemption. The Series 2004 Bonds, if any, which are designated (at the option of the purchaser thereof) in the Certificate of

Award as Series 2004 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 Certificate of Award. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series 2004 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Certificate of Award may provide that the Series 2004 Bonds shall not be subject to mandatory sinking fund redemption.

The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the Series 2004 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 2004 Bonds shall be given by the Paying Agent upon the written request of the District. Notice of any such redemption of Series 2004 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 2004 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 (f) 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) Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the interest and sinking fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(f) 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, monies 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 monies 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 monies 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 monies 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 monies 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 monies are part of the proceeds of bonds of the District, said monies 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 monies shall be transferred to the general fund of the District as provided and permitted by law.

(g) 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 for payment of such Bonds, 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 monies 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 (h) 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 monies then on deposit in the interest and sinking fund of the District, be fully sufficient, in the opinion of a certified public accountant, to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

(h) Unclaimed Monies. 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 monies shall be transferred to the general fund of the District as provided and permitted by law.

Section 8. Paying Agent: (a) Appointment. The Treasurer-Tax Collector of the County of San Mateo, in Redwood City, California, is hereby appointed the initial Paying Agent for the Series 2004 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 2004 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 2004 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) F 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 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, Bonds as provided in Section 10 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 Education Code Section 15232.

(e) Replacement or Resignation of Paying Agent. At any time that the County Treasurer is acting as paying agent hereunder, he or she may appoint, discharge, replace and contract with agents for payment, registration, transfer, and other duties related to the Series 2004 Bonds as the treasurer shall assign pursuant to provisions of general law, including Education Code Section 15232, and all such agents shall be deemed agents of, and shall serve at the pleasure of, the County Treasurer. The discharge or resignation of the Paying Agent currently acting hereunder shall not take effect for a period of 30 days, unless the County Treasurer or the replacement Paying Agent appointed by the County Treasurer shall sooner assume the duties of Paying Agent.

Section 9. Transfer Under Book-Entry System: (a) The Series 2004 Bonds shall be initially issued and registered as provided in Section 4. Registered ownership of such Series 2004 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 2004 Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Series 2004 Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Series 2004 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 2004 Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Series 2004 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 the receipt of such a written request of the District or County, and thereafter, the Series 2004 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 2004 Bonds within a period of fewer 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 2004 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 2004 Bonds, and neither the County, the District or 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 2004 Bonds.

(d) So long as the outstanding Series 2004 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 2004 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 2004 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 2004 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 2004 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 2004 Bond or Bonds of the same maturity, interest payment mode and interest rate, for a like aggregate principal amount. The Paying Agent may require the payment by any Owner of Series 2004 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 2004 Bond shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable 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 2004 Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

(b) Exchange. The Series 2004 Bonds may be exchanged for Series 2004 Bonds of other authorized denominations of the same maturity, interest payment mode and interest rate, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Series 2004 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 2004 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 2004 Bond or Bonds of

the same maturity, interest payment mode and interest rate, for a like aggregate principal amount. 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 2004 Bonds shall be required to be made by the Paying Agent during the period from (1) the close of business on the applicable 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 2004 Bond has been selected for redemption in whole or in part, to and including the designated redemption date.

Section 11. Money to Levy Taxes to Pay Bonds: The money for the payment of principal, redemption premium, if any, and interest with respect to the Series 2004 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 2004 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: (a) Official Notice of Sale; Date of Sale. The Official Notice of Sale inviting bids for the Series 2004 Bonds, in substantially the form on file with the Clerk of this Board of Supervisors, is hereby approved, and the County Treasurer-Tax Collector is hereby authorized and directed to cause the Official Notice of Sale to be completed, upon consultation with the District and Kelling, Northcross & Nobriga, Oakland, California, financial advisor to the District with respect to the Series 2004 Bonds (herein called the "Financial Advisor"), by inserting therein the maturity schedules for the Series 2004 Bonds, and making such other corrections, revisions or additions as shall be deemed necessary. The County Treasurer-Tax Collector is hereby authorized and directed to sign said Official Notice of Sale in its final form. The Financial Advisor is hereby authorized and directed to cause to be mailed to prospective bidders for the Bonds (including by posting to an appropriate Internet website which shall be accessible to interested bidders) copies of said Official Notice of Sale in the form finally approved by the District and the County.

Bids for the Series 2004 Bonds shall be received on behalf of this Board of Supervisors on January 14, 2004 (or on such other date as shall be determined by the County Treasurer-Tax Collector, so long as such date is not later than March 31, 2004), at the hour and place designated in said Official Notice of Sale.

(b) Advertisement for Bids. The Notice of Intention to Sell Bonds, in substantially the form on file with the Clerk of this Board of Supervisors, is hereby approved, and the Clerk of this Board of Supervisors is hereby authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions thereto as shall be deemed necessary upon consultation with the District, to be published once at least 15 days before the date of sale in a financial publication

generally circulated throughout the State of California or which the Financial Advisor advises is expected to be disseminated among prospective bidders for the Bonds, and to be published beginning on a date no later than the date 14 days prior to the date of sale, once a week, on the same day of each week, for at least two weeks in a newspaper of general circulation published in the County, and each such publication is hereby expressly ratified and approved.

(c) Award of Bonds; Certificate of Award. The County Treasurer-Tax Collector or his designee, as delegate of this Board of Supervisors, is hereby authorized to entertain bids for the Series 2004 Bonds, and to accept the lowest true interest cost bid, provided that (i) such true interest cost shall be no greater than 6.00%, calculated as specified in the Official Notice of Sale, (ii) the maximum interest rate on the Series 2004 Bonds shall not be in excess of 12.00% per annum; and (iii) the price to be paid for the Series 2004 Bonds shall not be less than the par value thereof, plus accrued interest, if any, to the date of delivery, and (iv) the bidder has agreed to pay specified costs of issuance of the Series 2004 Bonds on behalf of the District, in such type and amount as shall be determined and set forth in the Official Notice of Sale and bid form.

If such true interest cost and price are acceptable to the County Treasurer-Tax Collector, the County Treasurer-Tax Collector or his designee is hereby authorized to award the sale of the Bonds by executing a Certificate of Award, in substantially the form attached hereto as Exhibit B, naming the successful bidder and determining all remaining terms of the Series 2004 Bonds, and such execution shall constitute conclusive evidence of the approval of the County Treasurer-Tax Collector and of this Board of Supervisors of the terms of the Series 2004 Bonds and the sale thereof, including any change therein from the terms specified in the Official Notice of Sale; provided that the terms of the Series 2004 Bonds and the sale thereof shall conform in all respects with the limitations contained in this Resolution.

The Certificate of Award shall recite the aggregate principal amount of the Series 2004 Bonds, 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. The Certificate of Award, 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.

If no bid for the Series 2004 Bonds is acceptable, the County Treasurer-Tax Collector is requested to reject all bids and to re-bid the Series 2004 Bonds or, if necessary, sell the Series 2004 Bonds by negotiated sale as permitted by law, upon terms and conditions otherwise in conformity with the limitations contained in this Resolution.

Section 13. Deposit and Investment of Proceeds: (a) The proceeds of sale of the Series 2004 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 Treasurer-Tax Collector hereunder shall be invested at the Treasurer-Tax Collector'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 2004 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 2004 Bonds, to be entered into by the District as of the date of issuance of the Series 2004 Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Series 2004 Bonds.

Section 15. Continuing Disclosure Certificate: The County acknowledges and relies upon the fact that the District has represented and covenanted 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, and 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 2004 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-Tax Collector, the County Treasurer-Tax Collector 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 in writing prior to or upon the issuance of the Series 2004 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 Auditor-Controller, the County Counsel, and the County Treasurer-Tax Collector and the deputies and

designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Series 2004 Bonds, necessary and desirable to accomplish the transactions authorized herein.

Section 18. . . . Date: This resolution shall take effect from and after its adoption.