

RESOLUTION NO. _____

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

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RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF SEQUOIA UNION HIGH SCHOOL DISTRICT 2004 TAX AND REVENUE ANTICIPATION NOTES

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

WHEREAS, pursuant to Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), school districts organized and existing under the laws of the State of California are authorized to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys;

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school districts by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing; and

WHEREAS, the Board of Trustees of the Sequoia Union High School District (the "District") has heretofore adopted its resolution on March 31, 2004 (the "District Resolution"), a true and correct copy of which is attached hereto as Exhibit A, finding and determining that it is desirable that the District borrow funds in an amount not to exceed \$18,000,000 with respect to the fiscal year 2004-2005 for authorized purposes of the District, and requesting that the Board of Supervisors (the "Board") of San Mateo County (the "County") for that purpose authorizes the issuance of and offer for sale tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed \$18,000,000, under and pursuant to the provisions of the Law;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED:

Section 1. Recitals True and Correct. All of the recitals herein set forth are true and correct and the Board so finds and determines.

Section 2. Approval of Request of District. The Board hereby approves the request of the District for the Board to issue notes in its name.

Section 3. Authorization and Terms of Notes. Solely for the payment of current expenses, capital expenditures and other obligations payable from the general fund of

District during or allocable to Fiscal Year 2004-2005, and not pursuant to any common plan of financing, the Board hereby determines to and shall issue notes designated "Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes" (the "Notes"), in the aggregate principal sum of not to exceed eighteen million dollars (\$18,000,000) in the name of the District.

The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) on such date, not more than fifteen months from such date of delivery, as shall be determined by the Superintendent of the District (or the Superintendent's designee) prior to the date of sale of the Notes, and shall bear interest from their date, payable at maturity (if the maturity of the Notes is determined to be one year or earlier from the date of issuance) or payable on a date one year or earlier from the date of issuance as shall be determined by the Superintendent (or the Superintendent's designee) prior to the date of sale of the Notes, and at maturity (if the maturity of the Notes is determined to be more than one year from the date of issuance). Interest on the Notes shall be computed on a 30-day month/360-day year basis. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America, as described below.

Section 4. Form of Notes: Book Entry Only System. The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached to the District Resolution and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward, shall be in the denomination of \$1,000 each or any integral multiple thereof.

"CUSIP" identification numbers shall be imprinted on the Notes, but such numbers shall not constitute a part of the contract evidenced by the Notes and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Notes. In addition, failure on the part of the Board to use such CUSIP numbers in any notice to registered owners of the Notes shall not constitute an event of default or any violation of the Board's contract with such registered owners and shall not impair the effectiveness of any such notice.

Except as provided below, the owner of all of the Notes shall be The Depository Trust Company, New York, New York ("DTC"), and the Notes shall be registered in the name of Cede & Co., as nominee for DTC. The Notes shall be initially executed and delivered in the form of a single fully registered Note in the full aggregate principal amount of the Notes. The Board may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for all purposes of this Resolution, and the Board shall not be affected by any notice to the contrary. The Board shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the Notes under or through DTC or a Participant, or any other person which is not shown on the register of the Board as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by

DTC or any Participant of any amount in respect of the principal or interest with respect to the Notes. The County Treasurer-Tax Collector (the "Treasurer-Tax Collector") is hereby designated as the Paying Agent for the Notes. The Paying Agent shall pay all principal and interest with respect to the Notes only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to the principal and interest with respect to the Notes to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Note. Upon delivery by DTC to the Board of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the Board determines that it is in the best interest of the beneficial owners that they be able to obtain Notes and delivers a written certificate to DTC to that effect, DTC shall notify the Participants of the availability through DTC of Notes. In such event, the Board shall issue, transfer and exchange Notes as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Notes at any time by giving notice to the Board and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Board shall be obligated to deliver Notes as described in this Resolution. Whenever DTC requests the Board to do so, the Board will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Notes evidencing the Notes to any DTC Participant having Notes credited to its DTC account or (b) arrange for another securities depository to maintain custody of Certificates evidencing the Notes.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Note and all notices with respect to such Note shall be made and given, respectively, to DTC as provided in the representation letter delivered on the date of issuance of the Notes.

Section 5. Proceeds Fund. There is hereby created a special fund to be held on behalf of the District by the Treasurer-Tax Collector separate and distinct from all other County and District funds and accounts designated the "Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes Proceeds Fund" (the "Proceeds Fund") and applied as directed in this Resolution.

Section 6. Deposit and Investment of Proceeds Fund. The proceeds received from the sale of the Notes shall be deposited in the Proceeds Fund. Moneys held in the Proceeds Fund shall be invested by the County, consistent with the investment policy of the County, solely in the County Pooled Investment Fund maintained by the County Treasurer.

Interest earning derived from the investment of amounts on deposit in the Proceeds Fund shall be retained therein and used for the purposes of such fund.

Section 7. Use of Proceeds. The moneys deposited in the Proceeds Fund shall be withdrawn, used and expended by the District for any purpose for which it is authorized to expend funds from the general fund of the District, including, but not limited to, current expenses, capital expenditures and the discharge of any obligation or indebtedness of the District.

Section 8. Security. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the District for the general fund of the District for the Fiscal Year 2004-2005. As security for the payment of the principal of and interest on the Notes, the District will pledge the first "unrestricted moneys," as hereinafter defined, to be received by the County on behalf of the District in such months and in such amounts as shall be determined by the Superintendent (or the Superintendent's designee) prior to the date of sale of the Notes, sufficient to pay the principal of and interest on the Notes (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund, as hereinafter defined, of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Section 9. Repayment Fund. There is hereby created a special fund to be held on behalf of the District by the Treasurer-Tax Collector separate and distinct from all other County and District funds and accounts designated the "Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes Repayment Fund" (the "Repayment Fund") and applied as directed in this Resolution. Any money placed in the Repayment Fund shall be for the benefit of the registered owners of the Notes, and until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes and the interest thereon through the maturity thereof, the moneys in the Repayment Fund shall be applied solely for the purposes for which the Repayment Fund is created.

During the pledge months to be determined by the Superintendent (or the Superintendent's designee) prior to the date of sale of the Notes, all Pledged Revenues shall be deposited into the Repayment Fund. On a date one year or earlier from the date of issuance as shall be determined by the Superintendent (or the

Superintendent's designee) prior to the date of sale of the Notes (if the maturity of the Notes is determined to be more than one year from the date of issuance) and on the maturity date of the Notes, the Treasurer-Tax Collector shall transfer to DTC the moneys in the Repayment Fund necessary to pay the principal of and/or interest on the Notes then due and, to the extent said moneys are insufficient therefor, an amount of moneys from the District's general fund which will enable payment of the full principal of and interest on the Notes at maturity. DTC will thereupon make payments of principal and interest on the Notes to the DTC Participants who will thereupon make payments to the beneficial owners of the Notes. Any moneys remaining in the Repayment Fund after the Notes and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the District's general fund.

Section 10. Deposit and Investment of Repayment Fund.

Moneys held in the Repayment Fund shall be invested by the County, consistent with the investment policy of the County, solely in the County Pooled Investment Fund maintained by the County Treasurer.

Amounts on deposit in the Repayment Fund in excess of the amounts required to pay the principal of and interest on the Notes when due, shall be transferred to the general fund of the District.

Section 11. Execution of Notes. The Notes shall be executed in the manner set forth in the District Resolution.

Section 12. Transfer of Notes. Any Note may, in accordance with its terms, but only if the District determines to no longer maintain the book entry only status of the Notes, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the Treasurer-Tax Collector to deliver Note certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of Section 14 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation at the office of the Treasurer-Tax Collector, accompanied by delivery of a written instrument of transfer in a form approved by the Treasurer-Tax Collector, duly executed.

Whenever any Note or Notes shall be surrendered for transfer, the Treasurer-Tax Collector shall execute and deliver a new Note or Notes, for like aggregate principal amount.

Section 13. Exchange of Notes. Notes may be exchanged at the office of the Treasurer-Tax Collector for a like aggregate principal amount of Notes of authorized denominations and of the same maturity.

Section 14. Note Register. The Treasurer-Tax Collector shall keep or cause to be kept sufficient books for the registration and transfer of the Notes if the book entry

only system is no longer in effect and, in such case, the Treasurer-Tax Collector shall register or transfer or cause to be registered or transferred, on said books, Notes as herein before provided. While the book entry only system is in effect, such books need not be kept as the Notes will be represented by one Note registered in the name of Cede & Co., as nominee for DTC.

Section 15. Temporary Notes. The Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. The temporary Notes may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer-Tax Collector, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Note shall be executed by the Treasurer-Tax Collector upon the same conditions and in substantially the same manner as the definitive Notes. If the Treasurer-Tax Collector issues temporary Notes he will execute and furnish definitive Notes without delay, and thereupon the temporary Notes may be surrendered for cancellation, in exchange therefor at the office of the Treasurer-Tax Collector and the Treasurer-Tax Collector shall deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged, the temporary Notes shall be entitled to the same benefits pursuant to this Resolution as definitive Notes executed and delivered hereunder. Any costs borne by the County for the exchange of the Notes will be reimbursed by the District.

Section 16. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated the Treasurer-Tax Collector, at the expense of the registered owner of said Note, shall execute and deliver a new Note of like maturity and principal amount in exchange and substitution for the Note so mutilated, but only upon surrender to the Treasurer-Tax Collector of the Note so mutilated. Every mutilated Note so surrendered to the Treasurer-Tax Collector shall be canceled by it and delivered to, or upon the order of, the Treasurer-Tax Collector. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Treasurer-Tax Collector and, if such evidence be satisfactory to the Treasurer-Tax Collector and indemnity satisfactory to it shall be given, the Treasurer-Tax Collector, at the expense of the registered owner, shall execute and deliver a new Note of like maturity and principal amount in lieu of and in substitution for the Note so lost, destroyed or stolen. The Treasurer-Tax Collector may require payment of a sum not exceeding the actual cost of preparing each new Note issued under this Section 16 and of the expenses which may be incurred by the Treasurer-Tax Collector in the premises. Any Note issued under the provisions of this Section 16 in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Board whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Notes issued pursuant to this Resolution. This Section 16 will not be in effect so long as DTC book entry is utilized.

Section 17. Covenants and Warranties. Based on the representations and covenants of the District, it is hereby covenanted and warranted by the Board that all representations and recitals contained in this Resolution as to the County are true and correct, and that the Board has reviewed all proceedings heretofore taken relative to the authorization of the Notes and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Notes have existed, happened and been performed in due time, form and manner as required by law, and the Board is duly authorized to issue the Notes in the name of the District and incur indebtedness in the manner and upon the terms provided in this Resolution. The Board and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the prompt collection and enforcement of the taxes, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this Resolution.

Section 18. Sale of Notes. The preparation by the District's financial advisor of an official statement describing the Notes (the "Official Statement") and the preparation by the District's bond counsel of a notice of sale (the "Notice of Sale") and a notice of intention (the "Notice of Intention") in connection with the offering and sale of the Notes is hereby approved. The actions of the District's financial advisor, on behalf of the District and the Board, in distributing the Official Statement to such municipal bond brokers-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Notes therein offered for sale, are hereby approved.

The Notes are hereby ordered to be sold by competitive bid. The Superintendent of the District (or the Superintendent's designee) has been delegated the authority to accept the best responsible bid for the purchase of the Notes, determined in accordance with the Official Notice of Sale. The Superintendent of the District (or the Superintendent's designee) has been authorized and directed to accept such bid, for and in the name of the District, by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Superintendent of the District (or the Superintendent's designee), on behalf of the District, may exercise his or her own discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as he or she shall determine. The Superintendent of the District (or the Superintendent's designee), on behalf of the District, may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The Superintendent of the District (or the Superintendent's designee), on behalf of the District, shall award the Notes or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

The District's financial advisor has been delegated the responsibility of receiving, opening and analyzing bids submitted for the purchase of the Notes and to report the results thereof to the District and the County.

Section 19. Preparation of the Notes; Execution of Closing Documents. Quint & Thimmig LLP, as bond counsel to the District, is directed to cause suitable Notes to be prepared showing on their face that the same bear interest at the rate aforesaid, and to cause the blank spaces therein to be filled in to comply with the provisions of this Resolution in accordance with the identified purchaser of the Notes, and to procure their execution by the proper officers, and to cause the Notes to be delivered when so executed to DTC on behalf of the identified purchaser therefor upon the receipt of the purchase price by the Treasurer-Tax Collector on behalf of the District.

The Treasurer-Tax Collector or any other officer of the County are further authorized and directed to make, execute and deliver to the purchaser or purchasers of the Notes (a) a certificate in the form customarily required by purchasers of bonds of public corporations generally, certifying to the genuineness and due execution of the Notes, and (b) a receipt in similar form evidencing the payment of the purchase price of the Notes which receipt shall be conclusive evidence that said purchase price of the Notes has been paid and has been received on behalf of the District. Any purchaser or subsequent taker or holder of the Notes is hereby authorized to rely upon and shall be justified in relying upon any such certificate or receipt with respect to the Notes. Such officers and any other officers of the District or of the County are hereby authorized to execute any and all other documents required to consummate the sale and delivery of the Notes.

Section 20. Limited Liability. Notwithstanding anything to the contrary contained herein, in the Notes or in any other document mentioned herein, neither the County nor the Board shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby and the Notes shall be payable solely from the moneys of the District available therefor as set forth in Section 9 hereof.

EXHIBIT A
RESOLUTION OF DISTRICT

**RESOLUTION NO. 1275
GOVERNING BOARD OF THE SEQUOIA UNION HIGH SCHOOL DISTRICT**

**RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF
SAN MATEO COUNTY TO ISSUE TAX AND REVENUE ANTICIPATION NOTES
IN THE NAME OF THE SEQUOIA UNION HIGH SCHOOL DISTRICT
FOR FISCAL YEAR 2004-05 IN THE PRINCIPAL AMOUNT
OF NOT TO EXCEED \$18,000,000 AND AUTHORIZING
THE SALE THEREOF AND AUTHORIZING PREPARATION OF
AN OFFICIAL STATEMENT IN CONNECTION THEREWITH**

RESOLVED, by the Board of Trustees of the Sequoia Union High School District (the "District"), as follows:

WHEREAS, school districts organized and existing under the laws of the State of California are authorized by Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law") to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys; and

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school district by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing;

WHEREAS, the District has determined that it is desirable that the District borrow funds in an amount not to exceed \$18,000,000 with respect to fiscal year 2004-05 for authorized purposes of the District; and

WHEREAS, the financial advisor to the District has been directed to prepare an official statement meeting the requirements of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Official Statement") and bond counsel to the District has been directed to prepare a notice of sale (the "Notice of Sale") and a notice of intention (the "Notice of Intention") relating to the offering and sale of the notes for the District;

NOW, THEREFORE, it is hereby **DETERMINED** and **ORDERED** as follows:

Section 1. Request. The Board of Supervisors (the "Board") of San Mateo County (the "County") is hereby requested to issue tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed \$18,000,000 (the "Notes"), under and pursuant to the provisions of the Law.

Section 2. Limitation on Maximum Amount. The principal amount of Notes, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, revenue and other moneys of the District for the general fund of the District attributable to Fiscal Year 2004-05, and available for the payment of the notes and the interest thereon.

Section 3. Pledge. The Notes shall be obligations of the District and shall be secured by a pledge of and first lien and charge against the first "unrestricted moneys," as hereinafter defined, to be received by the County on behalf of the District in such months and in such amounts as shall be determined by the Superintendent (or the Superintendent's designee) prior to the date of sale of the Notes, sufficient to pay the principal of and interest on the Notes through the maturity date thereof (the "Pledged Revenues"). To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund (as defined in the hereinafter defined Issuance Resolution) of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon. The term "unrestricted moneys" shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Section 4. Approval of Issuance Resolution.

(a) The resolution entitled "Resolution Providing for the Borrowing of Funds in the Name of the Sequoia Union High School District for Fiscal Year 2004-05 and the Issuance and Sale of 2004 Tax and Revenue Anticipation Notes Therefor" (the "Issuance Resolution"), to be adopted by the Board, in substantially the form presented to the Board of Trustees at this meeting, together with any additions to or changes therein deemed necessary or advisable by the Board, is hereby approved. The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) on such date, not more than fifteen months from such date of delivery, as shall be determined by the Superintendent (or the Superintendent's designee) prior to the date of sale of the Notes and shall bear interest from their date, payable at maturity (if the maturity of the Notes is determined to be one year or earlier from the date of issuance) or payable on a date one year or earlier from the date of issuance and at maturity (if the maturity of the Notes is determined to be more than one year from the date of issuance), and computed on a 30-day month/360-day year basis.

(b) The District acknowledges that the Issuance Resolution authorizes the investment of amounts held in the Proceeds Fund and the Repayment Fund (as defined in the Issuance Resolution) shall be invested by the County, consistent with the investment policy of the County, solely in the County Pooled Investment Fund maintained by the County Treasurer.

Section 5. Form of Notes; Execution of Notes.

(a) The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward, shall be in the denomination of \$1,000 each or any integral multiple thereof.

(b) The Notes shall be executed in the name of the District, with the manual signature of the County Treasurer-Tax Collector (the "Treasurer-Tax Collector") or one or more of his duly authorized deputies and the manual or facsimile counter-signature of the Clerk of the Board of Supervisors with the seal of the Board impressed thereon, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 6. Official Statement. The Board of Trustees hereby authorizes the preparation by the District's financial advisor of an official statement describing the Notes (the "Official Statement"). The Board of Trustees authorizes the distribution by the District's financial advisor of the Official Statement to prospective purchasers of the Notes, and authorizes and directs the Superintendent (or the Superintendent's designee) on behalf of the District to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to its distribution by the District's financial advisor. The execution of the Official Statement, which shall include such changes and additions thereto deemed advisable by the Superintendent or any other qualified officer of the District and such information permitted to be excluded from the Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by the District.

The Superintendent (or the Superintendent's designee) is separately authorized and directed to execute the Official Statement and a statement that the facts contained in the Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Notes, true and correct in all material respects and that the Official Statement did not, on the date of sale of the Notes, and does not, as of the date of delivery of the Notes, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Superintendent (or the Superintendent's designee) shall take such further actions prior to the signing of the Official Statement as are deemed necessary or appropriate to verify the accuracy thereof.

Section 7. Sale of Notes. The distribution of the Official Statement, the Notice of Sale and the Notice of Intention are approved in connection with the offering and sale of the Notes.

The actions of the District's financial advisor, on behalf of the District, in distributing the Official Statement and the Notice of Sale to such municipal bond brokers-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Notes therein offered for sale, are hereby approved.

The Notes are hereby ordered to be sold by competitive bid. The Superintendent (or the Superintendent's designee) is hereby delegated the authority to accept the best responsible bid for the purchase of the Notes, determined in accordance with the Official Notice of Sale. The Superintendent (or the Superintendent's designee) is hereby authorized and directed to accept such bid, for and in the name of the District, by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Superintendent (or the Superintendent's designee), on behalf of the District, may exercise his or her own discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as he or she shall determine. The Superintendent (or the Superintendent's designee), on behalf of the District, may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The Superintendent (or the Superintendent's designee), on behalf of the District, shall award the Notes or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

The District's financial advisor is hereby delegated the responsibility of receiving, opening, and analyzing bids submitted for the purchase of the Notes and to report the results thereof to the District and the County.

Consent is hereby given for Zions First National Bank, the parent company of Kelling, Northcross & Nobriga, the District's financial advisor, to submit a bid for purchase of the Notes and to acquire or participate in the purchase of the Notes.

Section 8. Tax Covenants

(a) **Private Activity Bond Limitation.** The District shall assure that the proceeds of the Notes are not so used as to cause the Notes to satisfy the private business tests of section 141(b) of the Code (as hereinafter defined) or the private loan financing test of section 141(c) of the Code.

(b) **Federal Guarantee Prohibition.** The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(c) **Rebate Requirement.** The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Notes.

(d) **No Arbitrage.** The District shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Notes which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Notes would have caused the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(e) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Notes from the gross income of the registered owners of the Notes to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Notes.

(f) Small Issuer Exemption from Bank Nondeductibility Restriction. In the event the principal amount of the Notes issued is \$10,000,000 or less and, at the time of issuance of the Notes, the District determines that the aggregate face amount of all tax-exempt obligations issued by the District (including all subordinate entities of the District and all entities which may issue obligations on behalf of the District) during the calendar year 2004 will not exceed \$10,000,000, excluding, however, private activity bonds, as defined in Section 141 of the Code (other than qualified 501(c)(3) bonds as defined in section 145 of the Code) and current refunding obligations having a principal amount not in excess of the refunded obligation, the District will designate the Notes for purposes of Paragraph 3 of Section 265(b) of the Code and will covenant that the Notes do not constitute private activity bonds as defined in Section 141 of the Code.

For purposes of this Section 8, the term "Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Notes or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Notes, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Section 9. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Notes may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

For purposes of this Section 9, the term "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. For purposes of this Section 9, the term "Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

Section 10. No Temporary Transfers, Covenant Regarding Additional Short-Term Borrowing. It is hereby covenanted and warranted by the District pursuant to Article XVI, Section 6 of the Constitution of the State of California that it will not request the Treasurer-Tax Collector to make temporary transfers of funds in the custody of the Treasurer-Tax Collector to meet any obligations of the District during the 2004-2005 fiscal year until the full amount of Pledged Revenues has been deposited into the Repayment Fund. After the full amount of Pledged Revenues has been deposited into the Repayment Fund, the District covenants that it will not request the Treasurer-Tax Collector to make temporary transfers of funds in excess of eighty-five percent (85%) of the anticipated revenues accruing to the District during the 2004-05 fiscal year.

Section 11. Further Authorization. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, and the Superintendent, the Secretary of the Board, and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with the Issuance Resolution and this resolution.

The District hereby authorizes the Superintendent or the Superintendent's designee to execute an agreement for bond counsel services by and between the District and Quint & Thimmig LLP, and an agreement for financial advisory services by and between the District and Kelling, Northcross & Nobriga, which firms are hereby appointed to serve as bond counsel and financial advisor, respectively, for the Notes. All costs incurred by the Board or the District in connection with the issuance of the Notes, including but not limited to printing of any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, paying agent fees and expenses, the cost of printing the Notes and any compensation owing to any officers or employees of the Board, the County or the District for their services rendered in connection with the issuance of the Notes, shall be payable by District.

Section 12. Indemnification. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject, because of action or inaction related to the Notes. The District shall also reimburse the Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 13. Effective Date. This resolution shall take effect from and after its adoption.

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Trustees of the Sequoia Union High School District held on the 31st day of March, 2004, by the following vote:

AYES: Karaine Rumbley
Olivia Martinez
Sarah D. Stewart
Yoshie Kim
JAG

NOES: _____

ABSENCES: _____

ATTEST:

Sarah D. Stewart
Secretary of the Board of Trustees

[THIS MAY BE COMBINED WITH OTHER SCHOOL DISTRICT NOTES BEING SOLD ON THE SAME DAY]

NOTICE OF INTENTION

\$ _____
SEQUOIA UNION HIGH SCHOOL DISTRICT
(San Mateo County, California)
2004 Tax and Revenue Anticipation Notes

NOTICE IS HEREBY GIVEN, pursuant to section 53692 of the California Government Code, that the Board of Supervisors of San Mateo County, California (the "Board"), intends to issue in the name of the Sequoia Union High School District (the "District"), \$ _____ Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes (the "Notes").

Bids may be submitted *electronically only* on the Grant Street Group's MuniAuction website (www.muniauction.com), between 9:00 A.M. and 9:30 A.M., Pacific time, on

THURSDAY, JUNE 3, 2004

The sale will be awarded by the Board within 26 hours after the expiration of the time prescribed for the receipt of bids. The sale of the Notes will be conducted upon the terms and conditions set forth in the official notice of sale for the Notes (the "Notice of Sale"). The Notice of Sale and the preliminary official statement describing the Notes are available for (i) viewing online, (ii) downloading, and (iii) receipt of hard copy, all on the MuniAuction website.

To bid via the MuniAuction website, bidders must have both (1) completed the registration form on the MuniAuction website, and (2) requested and received admission to a particular auction, as described in the Notice of Sale. Further information may be obtained by contacting the Districts' Financial Advisor, Kelling, Northcross & Nobriga, 1333 Broadway, Suite 1000, Oakland, California 94612, telephone at (510) 839-8200, or MuniAuction at (412) 391-7686, x370.

[TO BE PUBLISHED IN THE *BOND BUYER* ON FRIDAY, MAY 14, 2004,
TO BE ARRANGED BY QUINT & THIMMIG LLP]