

RESOLUTION NO. _____

BOARD OF SUPERVISORS, SAN MATEO COUNTY, STATE OF CALIFORNIA

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF
SAN MATEO COUNTY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF
RAVENSWOOD CITY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 2000 GENERAL OBLIGATION BONDS, SERIES C**

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

WHEREAS an election was duly called and held in the Ravenswood City School District, County of San Mateo, California (the "District"), on November 7, 2000 (the "Election"), pursuant to Section 15100, et seq., of the California Education Code, at which the following proposition was submitted to the electors of the District:

"To increase student safety and improve learning by upgrading electrical wiring for computer use, heating and cooling systems, intercoms and fire alarms, lighting and security, removing asbestos and other hazardous materials from classrooms; relieve overcrowded campuses; expand classroom space by replacing 35-year old portable trailers and building additional classrooms and bathrooms; repair, acquire, construct and upgrade facilities and school sites, shall the Ravenswood City School District issue \$10,000,000 bonds at interest rates within the legal limit?"

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

WHEREAS, the County has previously issued \$2,500,000 aggregate principal amount of Ravenswood City School District (San Mateo County) Election of 2000 General Obligation Bonds,

Series A and \$2,500,000 aggregate principal amount of Ravenswood City School District (San Mateo County) Election of 2000 General Obligation Bonds, Series B;

WHEREAS, at this time this County Board of Supervisors (the "Board") has received the resolution of the governing board of the District requesting the issuance of a third series of such Bonds in an aggregate principal amount not to exceed \$2,500,000 (the "Series C Bonds");

WHEREAS, pursuant to Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code may be designated by the issuer thereof as "bank qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code;

WHEREAS, the District Board has designated the Series C Bonds as "bank qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Series C Bonds, is within all limits prescribed by law;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that:

SECTION 1. Purpose of Series C Bonds. To raise money for the purposes authorized by the voters of the District at the Election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County authorizes the issuance of the Series C Bonds.

SECTION 2. Terms and Conditions of Sale. The Series C Bonds shall be sold at a negotiated sale upon the direction of the Superintendent of the District and the Tax Collector-Treasurer of the County. The Series C Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase

Contract, a form of which is on file in the office of the Clerk of this Board of Supervisors, as described below.

SECTION 3. Approval of Purchase Contract. The form of Contract of Purchase (the "Purchase Contract") by and among the County, the District and M. L. Stern & Co., Inc. (the "Underwriter"); for the purchase and sale of the Series C Bonds is hereby approved and the Tax Collector-Treasurer of the County of San Mateo (the "Tax Collector-Treasurer"), or a designated deputy thereof, or the President of the Board of Supervisors (the "President"), or the President's designee, is hereby authorized to execute and deliver the Purchase Contract, and the Superintendent of the District, the District's Director of Business Services or any person designated by the Superintendent or the Director of Business Services, each alone, on behalf of the District, is hereby authorized and requested to acknowledge the execution of such Purchase Contract, if necessary, but with such changes therein, deletions therefrom and modifications thereto as the Tax Collector-Treasurer, or designated deputy thereof, or the President or the President's designee may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Series C Bonds shall not exceed the maximum rate permitted by law and the underwriter's discount, excluding original issue discount, thereon shall not exceed 2.00% of the aggregate of principal amount of Series C Bonds issued. The Tax Collector-Treasurer, any designated deputy thereof, or the President or the President's designee is further authorized to determine the principal amount of the Series C Bonds to be specified in the Purchase Contract for sale by the County Board up to \$2,500,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) "Bond Insurer" means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Series C Bonds.

(b) "Bond Payment Date" means (unless otherwise provided by the Purchase Contract) January 1 and July 1 of each year commencing July 1, 2005 with respect to the interest on the Bonds and July 1 of each year commencing July 1, 2005 with respect to the principal payments on the Bonds.

(c) "Bond Registrar" means the Tax Collector-Treasurer or such other entity designated by the Tax Collector-Treasurer.

(d) "Depository" means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(e) "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series C Bonds.

(f) "Information Services" means Financial Information, Inc.'s Financial Daily Called Bond Service; Moody's Investor's Service; or Standard & Poor's J.J. Kenny Information Services Called Bond Service.

(g) "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(h) "Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(i) "Principal" or "Principal Amount" means the principal or principal amount of a bond.

(j) "Record Date" means the fifteenth (15th) day of the month preceding each Bond Payment Date.

(k) "Securities Depositories" means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Facsimile transmission: (516) 227-4039, (516) 227-4190.

(l) "Term Bonds" means those Series C Bonds for which mandatory redemption dates have been established in the Purchase Contract.

- (m) "Transfer Amount" means the aggregate principal amount.

SECTION 5. Terms of the Series C Bonds.

(a) Denomination, Interest, Dated Dates. The Series C Bonds shall be issued as current interest bonds registered as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof.

Each Series C Bond shall be dated the date of issuance and delivery thereof (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before June 15, 2005, in which event it shall bear interest from Dated Date.

The Series C Bonds shall bear interest at a rate or rates such that the interest rate shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

- (b) Redemption.

(i) Optional Redemption. Unless otherwise provided in the Purchase Contract, the Series C Bonds maturing on or before July 1, 2012, are not subject to redemption prior to their fixed maturity dates. Unless otherwise provided in the Purchase Contract, the Series C Bonds maturing on or after July 1, 2013, may be redeemed before maturity at the option of the District, from any source of funds, on July 1, 2012, or on any Bond Payment Date thereafter as a whole or in part. For the purposes of such selection, Series C Bonds will be deemed to consist of \$5,000 portions, and any such portion may be separately redeemed. Unless otherwise provided in the Purchase Contract, the Series C Bonds called prior to maturity will be redeemed at the following redemption prices, expressed as a percentage of par value, together with accrued interest to the date fixed for redemption:

| <u>Redemption Dates</u> | <u>Redemption Prices</u> |
|-------------------------------|--------------------------|
| July 1, 2012 to June 30, 2013 | 102% |
| July 1, 2013 to June 30, 2014 | 101 |
| July 1, 2014 and thereafter | 100 |

(ii) Mandatory Redemption. Unless otherwise provided in the Purchase Contract, the Term Bonds are subject to mandatory redemption from monies in the Debt Service Fund established in Section 12 hereof prior to their stated maturity date, at the Principal Amount thereof without premium on each July 1, as set forth in the Purchase Contract and in the Official Statement.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Series C Bonds and less than all outstanding Series C Bonds are to be redeemed, the Bond Registrar identified below, upon written instruction from the District, shall select Series C Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar shall select Series C Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar shall determine; provided, however, that the portion of any Series C Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Series C Bonds. Such Redemption Notice shall specify: (a) the Series C Bonds or designated portions thereof (in the case of redemption of the Series C Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Bond Registrar, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Series C Bonds to be redeemed, (f) the Bond numbers of the Series C Bonds to be redeemed in whole or in part and, in the case of any Series C Bond to be redeemed in part only,

the Principal Amount of such Series C Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Series C Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series C Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue.

The Bond Registrar shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first-class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) first-class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) first-class mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to mail any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series C Bonds. Each check issued or other transfer of funds made by the Bond Registrar for the purpose of redeeming Series C Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Series C Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Series C Bonds. Upon the surrender of any Series C Bond redeemed in part only, the Bond Registrar shall execute and deliver to the Owner thereof

a new Series C Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series C Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Series C Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series C Bonds to be redeemed as provided in Section 5(b)(i) hereof, together with interest accrued to such redemption date, shall be held by the Bond Registrar so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series C Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Series C Bonds shall be held in trust for the account of the Owners of the Series C Bonds so to be redeemed.

All Series C Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Bond purchased by the County or the District shall be cancelled by the Bond Registrar.

(vii) Series C Bonds No Longer Outstanding. When any Series C Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Bond Registrar, in form satisfactory to it, and sufficient moneys shall be held by the Bond Registrar irrevocably in trust for the payment of the redemption price of such Series C Bonds or portions

thereof, and accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series C Bonds shall no longer be deemed outstanding and shall be surrendered to the Bond Registrar for cancellation.

(c) Book-Entry System.

The Depository Trust Company (“DTC”), New York, New York is hereby appointed depository for the Series C Bonds and the Series C Bonds shall be initially registered in the name of “Cede & Co.” as nominee of DTC. Registered ownership of the Series C Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section 5(c) (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of DTC or a 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 Tax Collector-Treasurer, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Tax Collector-Treasurer to substitute another depository for DTC (or its successor) because DTC 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 DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the Tax Collector-Treasurer to remove DTC 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 Section 5(c), upon receipt of the outstanding Series C Bonds by the Tax Collector-Treasurer, together with a request of the County, on behalf of the District, to the Tax Collector-Treasurer, new Series C Bonds shall be executed and

delivered in the aggregate principal amount of the Series C Bonds registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request of the County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this subparagraph (b), upon receipt of the outstanding Series C Bonds by the Tax Collector-Treasurer together with a request of the County to the Tax Collector-Treasurer, new Series C Bonds shall be executed and delivered in such denominations numbered in the manner determined by the Tax Collector-Treasurer and registered in the names of such persons as are requested in such a request of the County; provided, the Tax Collector-Treasurer shall not be required to deliver such new Series C Bonds within a period less than sixty (60) days from the date of receipt of such a request of the County. Thereafter, Series C Bonds shall be transferred pursuant to Section 7 hereof.

(c) The County and the Tax Collector-Treasurer shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this resolution and any applicable laws, notwithstanding any notice to the contrary received by the Tax Collector-Treasurer or the County; and the County and the Tax Collector-Treasurer shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Series C Bonds and neither the County nor the Tax Collector-Treasurer will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party, including DTC or its successor (or substitute depository or its successor), except for the owner of any Series C Bonds.

(d) So long as the outstanding Series C Bonds are registered in the name of Cede & Co. or its registered assigns, the County and the Tax Collector-Treasurer shall cooperate with Cede & Co., as sole registered owner, or its registered assigns in effecting payment of the principal of and interest on the Series C Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 6. Execution of Series C Bonds. The Series C Bonds shall be signed by the President and the Tax Collector-Treasurer by their manual signatures and countersigned by the manual signature of and the seal of the County affixed thereto by the Clerk of the Board of Supervisors, all in their official capacities. No Series C Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series C Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Series C Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 7. Bond Registrar; Transfer and Exchange. This Board does hereby appoint the Tax Collector-Treasurer to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Series C Bonds.

So long as any of the Series C Bonds remains outstanding, the Bond Registrar will maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Series C Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Series C Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series C Bond for all purposes of this Resolution. Payment of or on account of the Principal of and premium, if any, and interest on any Series C Bond shall be made only to or upon the order of that person; neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series C Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series C Bond may be exchanged for Series C Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Series C Bond may be transferred on the Bond Register only upon presentation and surrender of the Series C Bond at the principal office of the Bond Registrar together with

an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Series C Bond or Series C Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Series C Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Series C Bond shall become mutilated, the County, at the expense of the Owner of said Series C Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series C Bond of like series, tenor and Transfer Amount in exchange and substitution for the Series C Bond so mutilated, but only upon surrender to the Bond Registrar of the Series C Bond so mutilated. If any Series C Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar and, if such evidence be satisfactory to the Bond Registrar and indemnity for the Bond Registrar, the County and the District satisfactory to the Bond Registrar shall be given by the owner, the County, at the expense of the Series C Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series C Bond of like Series C Bond tenor in lieu of and in substitution for the Series C Bond so lost, destroyed or stolen (or if any such Series C Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Series C Bond the Bond Registrar may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Bond Registrar). The Bond Registrar may require payment of a reasonable fee for each new Series C Bond issued under this paragraph and of the expenses which may be incurred by the County and the Bond Registrar.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Bond Registrar shall undertake the exchange or transfer of Series C Bonds only after the new Series C Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Series C Bonds, the County shall sign and the Bond Registrar shall authenticate and deliver Series C Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun

for the exchange or transfer. All Series C Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series C Bonds surrendered upon that exchange or transfer.

Any Series C Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District and the County may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Series C Bonds that the District and the County may have acquired in any manner whatsoever, and those Series C Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Series C Bonds shall be made to the District and the County by the Bond Registrar on or before January 1 and July 1 of each year. The cancelled Series C Bonds shall be retained for six years, then returned to the District or destroyed by the Bond Registrar as directed by the District.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any Series C Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Series C Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Series C Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment. Payment of interest on any Series C Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and prepayment premiums, if any, payable on the Series C Bonds shall be payable upon maturity or redemption upon surrender at the

principal office of the Bond Registrar. The interest, principal and premiums, if any, on the Series C Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Series C Bonds upon payment thereof. The Series C Bonds are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Series C Bonds.

SECTION 9. Acknowledgment of Designation as Bank Qualified Tax-Exempt Obligations.

The County acknowledges that the District Board has designated the Series C Bonds as “bank qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

SECTION 10. Form of Series C Bonds. The Series C Bonds shall be in substantially the form set forth in Exhibit A hereto, allowing those officials executing the Series C Bonds to make the insertions and deletions necessary to conform the Series C Bonds to this Resolution and the Purchase Contract.

SECTION 11. Delivery of Series C Bonds. The proper officials of the County shall cause the Series C Bonds to be prepared and, following their sale, shall have the Series C Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series C Bonds, to the original purchaser upon payment of the purchase price therefor.

SECTION 12. Deposit of Proceeds of Series C Bonds. The proceeds from the sale of the Series C Bonds, shall be paid to the County to the credit of the fund hereby created and established and to be known as the “Series C Ravenswood City School District Building Fund” (the “Building Fund”) of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Series C Bonds are being issued and provided further that such proceeds shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The accrued interest and any premium received by the County from the sale of the Series C Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the “Series C Ravenswood City School District General Obligation Bond Debt Service Fund” (the “Debt Service Fund”) for the Series C Bonds and used only for payment of Principal

of and interest on the Series C Bonds. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Series C Bonds not needed for the authorized purposes set forth herein for which the Series C Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal of and interest on the Series C Bonds. If, after payment in full of the Series C Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

All moneys held in the funds created by this Resolution shall be invested at the direction of the Tax Collector-Treasurer and shall be invested, to the greatest extent possible, as permitted by the Government Code and the County Investment Policy of January 2004.

SECTION 13. Rebate Fund.

(a) The District shall create and establish a special fund designated the "Series C Ravenswood City School District Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section 13 and by the Tax Certificate to be executed by the District.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Series C Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence,

if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (f) of this Section 13. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series C Bonds (including amounts treated as proceeds of the Series C Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Series C Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of

the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Series C Bonds, an amount equal to one hundred percent (100%) of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(f) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(g) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Series C Bonds.

(h) Notwithstanding anything in this Resolution to the contrary, the rebate Requirement shall survive the payment in full or defeasance of the Series C Bonds.

SECTION 14. Arbitrage Covenant. The County acknowledges that the District has covenanted that it will restrict the use of the proceeds of the Series C Bonds in such manner and to such extent, if any, as may be necessary, so that the Series C Bonds will not constitute arbitrage bonds under

Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 15. Conditions Precedent. Based on representations of the District, and to the best knowledge of the Board, this Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Series C Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series C Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Series C Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series C Bonds.

SECTION 16. Official Statement. The Underwriter is hereby authorized to prepare a Preliminary Official Statement and an Official Statement relating to the Series C Bonds to be used in connection with the offering and sale of the Series C Bonds. The District and the Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Series C Bonds and is directed to deliver copies of any final Official Statement to the purchaser of the Series C Bonds, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 17. Insurance. In the event the District purchases bond insurance for the Series C Bonds, and to the extent that the Bond Insurer makes payment of the Principal of, or interest on any Series C Bonds, it shall become the owner of such Series C Bonds with the right to payment of principal or Interest on such Series C Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Series C Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the

Owners of the Series C Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Bond Registrar shall note the Bond Insurer as subrogee on the registration books for the Series C Bonds maintained by the Bond Registrar upon surrender of the Series C Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 18. Defeasance. All or any portion of the outstanding maturities of the Series C Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the County or with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Series C Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) United States Obligations: by irrevocably depositing with the County or with an independent escrow agent selected by the District noncallable United States Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series C Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Series C Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all such designated outstanding Series C Bonds shall cease and terminate, except only the obligation of the County and the Bond Registrar or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Series C Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including

(in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's, a division of the McGraw-Hill Companies or "Aaa" by Moody's Investors Service.

SECTION 19. Other Actions. Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Series C Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 20. Obligation to Levy Taxes to Pay Series C Bonds. The money for the payment of principal of, redemption premium, if any, and interest on, the Series C Bonds shall be raised by taxation upon all taxable property in the District. Provision shall be made for the levy and collection of such taxes in the manner provided by law and the Board hereby covenants to levy ad valorem taxes for the payment of the Series C Bonds on all property in the District subject to taxation by the County, without limitation as to rate or amount (except certain property which is taxable at limited rates).

SECTION 21. Resolution to Tax Collector-Treasurer. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Tax Collector-Treasurer of San Mateo County immediately following its adoption.

SECTION 22. Effective Date. This Resolution shall take effect immediately upon its passage.

Regularly passed and adopted on this 6th day of July, 2004.

*AYES and in favor of said resolution:
Supervisors:*

*NOES and against said resolution:
Supervisors:*

Absent Supervisors:

*President, Board of Supervisors
County of San Mateo
State of California*

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

*Ashnita Narayan, Deputy
Clerk of the Board of Supervisors*

**RAVENSWOOD CITY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 2000 GENERAL OBLIGATION BONDS, SERIES C**

EXHIBIT A

Form of Bond

REGISTERED NO. _____

REGISTERED \$ _____

RAVENSWOOD CITY SCHOOL DISTRICT
SAN MATEO COUNTY, CALIFORNIA
ELECTION OF 2000 GENERAL OBLIGATION BOND, SERIES C
(Bank Qualified)

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:
____% per annum July 1, _____ _____, 2004

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

The Ravenswood City School District (the "District") in San Mateo County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year (the "Bond Payment Dates"), commencing July 1, 2005. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before June 15, 2005, in which event it shall bear interest from the Dated Date. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially the San Mateo County Tax Collector-Treasurer. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Series C Bonds (as defined in the Resolution) in the aggregate principal amount of \$1,000,000 or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of \$2,500,000 of bonds approved to raise money for the purposes authorized by the voters of the District, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at a special election held on November 7, 2000, upon the question of issuing bonds in the amount of \$10,000,000 and the resolution of the Board of Trustees of the District adopted on May 13, 2004 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on July 6, 2004 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes

are unlimited as to rate or amount. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar in Redwood City, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District, the County nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Series C Bonds maturing on or before July 1, 2012 are not subject to redemption prior to their fixed maturity dates. The Series C Bonds maturing on or after July 1, 2013 are subject to redemption on or after July 1, 2012 at the option of the District, from any source of funds, as a whole or in part on any Bond Payment Date, at the following Redemption Prices (expressed as percentages of the Principal Amount of the Series C Bonds to be redeemed) plus interest accrued thereon to the dates fixed for redemption:

| <u>Redemption Dates</u> | <u>Redemption Prices</u> |
|-------------------------------|--------------------------|
| July 1, 2012 to June 30, 2013 | 102% |
| July 1, 2013 to June 30, 2014 | 101 |
| July 1, 2014 and thereafter | 100 |

The Series C Bonds maturing on July 1, 2022 are subject to mandatory redemption from monies in the Debt Service Fund prior to their stated maturity date, at the Principal Amount thereof without premium on each July 1, on and after July 1, 2018, in the Principal Amounts as set forth in the following table:

| <u>Redemption Dates</u> <u>(July 1)</u> | <u>Principal Amounts</u> |
|--|--------------------------|
| 2018 | \$ |
| 2019 | |
| 2020 | |
| 2021 | |
| 2022† | |

† Maturity.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District; have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Ravenswood City School District , San Mateo County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual signatures of the President of the Board of Supervisors of the County and the County Tax Collector-Treasurer, and to be countersigned by the manual signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

SAN MATEO COUNTY, CALIFORNIA

By: _____
President, Board of Supervisors

By: _____
Tax Collector-Treasurer

COUNTERSIGNED:

Clerk, Board of Supervisors

**RAVENSWOOD CITY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 2000 GENERAL OBLIGATION BONDS, SERIES C**

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2004.

Tax Collector-Treasurer
of the County of San Mateo

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints the undersigned's attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Lofton & Jennings in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile)
Clerk, Board of Supervisors

(Form of Legal Opinion)

BANK QUALIFIED TAX-EXEMPT OBLIGATION

This Bond has been determined to be a "bank qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, by resolution of the District.

**RAVENSWOOD CITY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 2000 GENERAL OBLIGATION BONDS, SERIES C**