

RESOLUTION NO. \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
SAN MATEO-FOSTER CITY SCHOOL DISTRICT GENERAL  
OBLIGATION BONDS, ELECTION OF 2008, SERIES A, IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED  
\$55,000,000**

**RESOLVED**, by the Board of Supervisors of the County of San Mateo (the "Board"), that:

**WHEREAS**, a special bond election was duly and regularly held in the San Mateo-Foster City School District (the "District") on February 5, 2008, for the purpose of submitting a bond measure to the qualified electors of the District authorizing the issuance of general obligation bonds of the District in the maximum aggregate principal amount of \$175,000,000 (the "Bonds"), and more than fifty-five percent of the votes cast at said election were in favor of the issuance of the Bonds; and

**WHEREAS**, Section 15140 of the Education Code of the State of California requires that general obligation bonds of the District shall be offered for sale by the Board of Supervisors of San Mateo County following receipt of a resolution adopted by the Board of Trustees of the District; and

**WHEREAS**, there has been filed with the Clerk of this Board of Supervisors a certified copy of a resolution of the Board of Trustees of the District adopted on September 4, 2008 (the "District Resolution") authorizing the issuance of a first series of the Bonds to be designated the "San Mateo-Foster City School District (San Mateo County, California) General Obligation Bonds, Election of 2008, Series A" (the "Series A Bonds") in the aggregate principal amount of not to exceed \$55,000,000; and

**WHEREAS**, Board of Trustees of the District found and informed this Board in the District Resolution that 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 the proposed issue of the Series A Bonds, is within all limits prescribed by law; and

**WHEREAS**, the Board, in reliance upon the representations of the District, intends to sell the Series A Bonds, in a principal amount of not to exceed \$55,000,000, under this Resolution and in conformity with the laws of the State of California;

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

## ARTICLE I

### DEFINITIONS; AUTHORITY

**Section 1.01. Definitions.** The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given them below, unless the context clearly requires some other meaning.

"Accreted Interest" means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

"Accreted Value" means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest, compounded semiannually on each February 1 and August 1, commencing from the date of issuance of the Capital Appreciation Bonds.

"Board" means the Board of Supervisors of the County.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, and (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Law" means Chapters 1 and 1.5 of Part 10 of Division 1 of the California Education Code (commencing with Section 15100 of said Code), as in effect on the date of adoption hereof and as amended hereafter.

"Building Fund" means the fund established and held by the County Treasurer under Section 3.02.

"Capital Appreciation Bonds" means those Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Bonds.

"Capital Appreciation Term Bonds" means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established upon the sale of the Series A Bonds.

"Closing Date" means the date upon which there is an exchange of Series A Bonds for the proceeds representing the purchase price of the Series A Bonds by the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly reimbursable to the District relating to the issuance, execution and delivery of the Series A Bonds including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, fees and expenses of the Paying Agent, financial and other professional consultant fees, costs of obtaining credit ratings, municipal bond insurance premiums, and charges and fees in connection with the foregoing.

"County" means the County of San Mateo, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Controller" means the Controller of the County or any authorized deputy thereof.

"County Treasurer" means the Tax Collector/Treasurer of the County, or any authorized deputy thereof.

"Current Interest Bonds" means the Series A Bonds the interest on which is payable on each Interest Payment Date specified for each such Series A Bond as designated and maturing in the years and in the amounts set forth in the maturity schedule identified at the time of sale of the Series A Bonds.

"Current Interest Term Bonds" means those Current Interest Bonds for which mandatory redemption dates have been established upon the sale of the Series A Bonds.

"CUSIP" means Committee on Uniform Security Identification Procedures.

"Debt Service Fund" means the fund established and held by the County Treasurer under Sections 4.02 and 4.03.

"Denominational Amount" means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the San Mateo-Foster City School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Superintendent or Chief Business Official of the District, or any other person authorized by resolution of the Board of Trustees of the District to act on behalf of the District with respect to this Resolution and the Series A Bonds.

"District Resolution" means the Resolution adopted by the Board of Trustees of the District on September 4, 2008, authorizing the issuance of the Series A Bonds and requesting the Board to sell the Series A Bonds in the name of the District.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Financial Advisor" means Keygent LLC.

"Information Services" Financial Information, Incorporated's "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal News Report; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Interest Payment Dates" with respect to any Series A Bond means February 1 and August 1 in each year during the term of such Series A Bond, commencing February 1, 2009.

"Maturity Value" means the Accreted Value of any Capital Appreciation Bond on its maturity date.

"Notice of Sale" means the Official Notice of Sale of the Bonds, in substantially the form on file with the Clerk of the Board.

"Office" means the office or offices of the Paying Agent for the payment of the Series A Bonds and the administration of its duties hereunder. The Office may be re-designated from time to time by written notice filed with the County and the District by the Paying Agent.

"Original Purchaser" means the first purchaser of the Series A Bonds upon the competitive public sale thereof.

"Outstanding", when used as of any particular time with reference to Series A Bonds, means all Bonds except:

- (a) Series A Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;
- (b) Series A Bonds paid or deemed to have been paid within the meaning of Section 7.03; and
- (c) Series A Bonds in lieu of or in substitution for which other Series A Bonds have been authorized, executed, issued and delivered under the District Resolution and this Resolution.

"Owner", whenever used herein with respect to a Series A Bond, means the person in whose name the ownership of such Series A Bond is registered on the Registration Books.

"Paying Agent" means The Bank of New York Mellon Trust Company N.A., who has been appointed to act as paying agent for the Series A Bonds by the District, including its successors and assigns, and any other corporation or association which may at any time be substituted in its place.

"Principal" or "Principal Amount" means, with respect to any Current Interest Bond, the principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

"Record Date" means the 15<sup>th</sup> day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series A Bonds under Section 2.09.

"Resolution" means this Resolution, including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Series A Bonds" means the San Mateo-Foster City School District (San Mateo County, California) General Obligation Bonds, Election of 2008, Series A at any time Outstanding under the District Resolution and this Resolution.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the Board in accordance with Article VI.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized by the District and listed on a Written Request of the District for that purpose.

#### **Section 1.02. Interpretation.**

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

**Section 1.03. Authority for this Resolution.** This Resolution is adopted under the provisions of the Bond Law.

## ARTICLE II

### THE SERIES A BONDS

**Section 2.01. Authorization.** The Series A Bonds are hereby authorized to be issued in the aggregate principal amount of not to exceed \$55,000,000 under and subject to the terms of the Bond Law, the District Resolution and this Resolution. The Series A Bonds shall be designated the "San Mateo-Foster City School District (San Mateo County, California) General Obligation Bonds, Election of 2008, Series A". The provisions of this Resolution relating to payment of principal of and interest on the Series A Bonds are set forth in this Resolution solely at the request of the District for the convenience of the District in the administration of its bonds, and do not create any responsibilities for the Board beyond the express statutory requirements contained in Sections 15140, 15146 and 15250 of the California Education Code.

#### **Section 2.02. Terms of Series A Bonds.**

(a) General Terms. The Series A Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. The Series A Bonds shall be lettered and numbered as the Paying Agent may prescribe. The Series A Bonds shall be Current Interest Bonds, and if issued, Capital Appreciation Bonds. The Series A Bonds shall be dated as of the Closing Date.

(b) The Current Interest Bonds shall be dated as of their date of delivery and shall bear interest at a bond yield not to exceed the legal limit, payable on February 1 and August 1 of each year commencing February 1, 2009, through August 1 of a year no later than 2033 (each an "Interest Payment Date"), the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale. Each Current Interest Bond shall be issued in denominations of \$5,000 or integral multiples thereof.

The Capital Appreciation Bonds, if issued, shall accrete interest from the date of issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the bond yield shall not exceed the legal limit. The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Value or any integral multiple thereof. The Capital Appreciation Bonds shall mature on August 1 of the years identified in the maturity schedule to be fixed at the time of sale. Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year until maturity, commencing on the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity as part of their Maturity Value or upon prior redemption.

(c) Interest on the Series A Bonds. Interest on the Series A Bonds is payable semi-annually on each Interest Payment Date, and will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Each Series A Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an

Interest Payment Date and after the close of business on the 15<sup>th</sup> day of the month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to January 15, 2009, in which event it will bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(d) Manner of Payment. Interest on the Series A Bonds (including the final interest payment upon maturity or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which shall be DTC so long as the Series A Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; except that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series A Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series A Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Series A Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

(e) CUSIP Identification Numbers. CUSIP identification numbers shall be imprinted on the Series A Bonds, but such numbers do not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series A Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Series A Bonds will not constitute an event of default or any violation of the District's contract with such Owners and will not impair the effectiveness of any such notice.

### **Section 2.03. Redemption.**

(a) Optional Redemption Dates and Prices. The Series A Bonds are subject to redemption prior to their respective stated maturities, on the dates and at the redemption prices as set forth in the Notice of Sale, from any available source of funds. If the Series A Bonds are redeemed in part but not in whole, the Series A Bonds to be redeemed will be selected among maturities on a pro rata basis, or on such other basis as designated by the District and by lot within a maturity.

(b) Mandatory Sinking Fund Redemption. Any one or more maturities of the Series A Bonds may be designated as term bonds by the Original Purchaser in accordance with the Notice of Sale, in which case such maturities will be subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as determined in accordance with the Notice of Sale, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate principal amount of such term bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 as determined by the District (written notice of which determination is given by the District to the County and the Paying Agent).

(c) Selection of Series A Bonds for Redemption. Whenever less than all of the Outstanding Series A Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series A Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series A Bond shall be deemed to consist of individual bonds of \$5,000 denominations each, which may be separately redeemed.

(d) Redemption Procedure. At the direction and expense of the District, the Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Series A Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing is not a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Series A Bonds. In addition, the Paying Agent shall give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two (2) days prior to such mailing to the Series A Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series A Bonds are to be called for redemption, shall designate the serial numbers of the Series A Bonds to be redeemed by giving the individual number of each Series A Bond or by stating that all Series A Bonds between two stated numbers, both inclusive, or by stating that all of the Series A Bonds of one or more maturities have been called for redemption, and shall require that such Series A Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series A Bonds will not accrue from and after the redemption date.

Upon surrender of Series A Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the Owner, at the expense of the District, a new Series A Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the aggregate principal amount of the unredeemed portion of the Series A Bond or Bonds.

(e) Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series A Bonds so called for redemption have been duly provided, such Series A Bonds shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all Series A Bonds redeemed under this Section 2.03 and shall submit a certificate or other evidence of such cancellation to the District and the County.

#### **Section 2.04. Book-Entry System.**

(a) Original Delivery. The Series A Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Series A Bonds. Upon initial delivery, the ownership of each such Series A Bond shall be registered on the Registration Books in the name of Cede & Co. (the



"Nominee"). Except as provided in subsection (c), the ownership of all of the Outstanding Series A Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Series A Bonds the ownership of which is registered in the name of the Nominee, the District and the Paying Agent shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository holds an interest in the Series A Bonds. Without limiting the generality of the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than an Owner as shown in the Registration Books, of any notice with respect to the Series A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series A Bonds to be redeemed if the District elects to redeem the Series A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than an Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Series A Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series A Bonds. The District and the Paying Agent may treat and consider the person in whose name each Series A Bond is registered as the absolute owner of such Series A Bond for the purpose of payment of principal, premium and interest on such Series A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series A Bond, for the purpose of registering transfers of ownership of such Series A Bond, and for all other purposes whatsoever. The Paying Agent shall pay the principal of and interest and premium, if any, on the Series A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series A Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Series A Bond evidencing the obligation of the District to make payments of principal, interest and premium, if any, under this Resolution. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Paying Agent.

(b) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Series A Bonds, or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Paying Agent in the issuance of replacement Series A Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Series A Bonds, and by surrendering the Series A Bonds, registered in the name of the Nominee, to the Paying Agent on or before the date such replacement Series A Bonds are to be issued. The Depository, by accepting delivery of the Series A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Series A Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners

transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Paying Agent with the names and addresses of the Participants and respective ownership interests thereof.

(c) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the contrary, but subject to Section 4.06 of this Resolution, so long as any Series A Bond is registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to principal of and interest and premium, if any, on such Series A Bond and all notices with respect to such Series A Bond shall be made and given, respectively, as instructed by the Depository.

**Section 2.05. Form of Series A Bonds.** The Series A Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Notice of Sale, as are set forth in Appendix A attached hereto.

**Section 2.06. Execution of Series A Bonds.** Pursuant to Education Code Section 15145, the Series A Bonds shall be executed on behalf of the Board by the manual or facsimile signature of the President of the Board, the manual signature of the County Treasurer and the facsimile or manual signature of the Clerk of the Board of Supervisors who are in office on the date of adoption of this Resolution or at any time thereafter. If any officer whose signature appears on any Series A Bond ceases to be such officer before delivery of the Series A Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Series A Bonds to the purchaser. Any Series A Bond may be signed and attested on behalf of the Board by such persons as at the actual date of the execution of such Series A Bond shall be the proper officers of the County although at the nominal date of such Series A Bond any such person shall not have been such officer of the County.

Only such Series A Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Series A Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

**Section 2.07. Transfer of Series A Bonds.** Any Series A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series A Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Whenever any Series A Bond or Bonds is surrendered for transfer, the County shall execute and the Paying Agent shall authenticate and deliver a new Series A Bond or Bonds, for like aggregate principal amount.

No transfers of Series A Bonds are required to be made (a) during the period established by the Paying Agent for selection of Series A Bonds for redemption or (b) with respect to a Series A Bond which has been selected for redemption.

**Section 2.08. Exchange of Series A Bonds.** Series A Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Series A Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Series A Bonds are required to be made (a) during the period established by the Paying Agent for selection of Series A Bonds for redemption or (b) with respect to a Series A Bond which has been selected for redemption.

**Section 2.09. Registration Books.** The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series A Bonds, which shall at all times be open to inspection by the District and the County upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as herein before provided.

**Section 2.10. Series A Bonds Mutilated, Lost, Destroyed or Stolen.** If any Series A Bond is mutilated the District, at the expense of the Owner of said Series A Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Series A Bond of like maturity and principal amount in exchange and substitution for the Series A Bond so mutilated, but only upon surrender to the Paying Agent of the Series A Bond so mutilated. Every mutilated Series A Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District.

If any Series A Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it is given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Series A Bond of like maturity and principal amount in lieu of and in substitution for the Series A Bond so lost, destroyed or stolen.

The District may require payment of a sum not exceeding the actual cost of preparing each new Series A Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Series A Bond issued under the provisions of this Section 2.10 in lieu of any Series A Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Series A Bond 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 Series A Bonds issued under the District Resolution and this Resolution.

## ARTICLE III

### ISSUE OF SERIES A BONDS; APPLICATION OF PROCEEDS

**Section 3.01. Delivery of Series A Bonds.** A District Representative is hereby directed to cause the Series A Bonds to be executed and delivered to the Original Purchaser upon the County Treasurer's receipt of the purchase price therefor and upon the Original Purchaser's performance of the conditions imposed by the District. The Paying Agent is hereby authorized to deliver the Series A Bonds to the Original Purchaser, upon receipt of a Written Request of the District.

**Section 3.02. Application of Proceeds of Sale of Series A Bonds.** The proceeds of the Series A Bonds shall be applied on the Closing Date as follows:

- (a) The portion of the proceeds representing the premium (if any) received by the District on the sale of the Series A Bonds after all costs of financing are paid shall be deposited with the County Treasurer in the Debt Service Fund.
- (b) All remaining proceeds received by the County Treasurer from the sale of the Series A Bonds shall be deposited in the Building Fund to be applied as set forth in Section 3.03.

**Section 3.03. Building Fund.** The County Controller has previously established a fund known as the "Building Fund", into which the County Treasurer shall deposit the proceeds from the sale of the Series A Bonds, to the extent required under Section 3.02(b). The County Treasurer shall maintain separate accounting for the proceeds of the Series A Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Series A Bonds shall be expended by the District solely for the acquisition or improvement of real property for which the Series A Bond proceeds are authorized to be expended under the ballot proposition authorizing the issuance thereof, and for payment of Costs of Issuance. All interest and other gain arising from the investment of proceeds of the Series A Bonds shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series A Bonds.

Any amounts remaining on deposit in the Building Fund after payment in full of the Series A Bonds shall be transferred to the general fund of the District, to be applied for the purposes for which the Series A Bonds have been authorized or otherwise in accordance with the Bond Law.

**Section 3.04. Security for Bonds.** The Series A Bonds are general obligations of the District, and the Board has the power to levy ad valorem taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series A Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Bond Law.

The Board will levy ad valorem taxes, as provided in Section 15250 of the Education Code, so as to enable the District to punctually pay, or cause to be paid, the

principal of and interest on the Series A Bonds, in conformity with the terms of the Series A Bonds and of this Resolution. Nothing herein contained prevents the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

**Section 3.05. Official Actions.** All actions heretofore taken by the officers and agents of the County with respect to the sale and delivery of the Series A Bonds are hereby approved, and the County Treasurer and all other officers of the County are hereby authorized and directed for and in the name and on behalf of the Board, 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 sale and delivery of the Series A Bonds in accordance with this Resolution.

#### ARTICLE IV

#### SALE OF THE SERIES A BONDS; DEBT SERVICE FUND

**Section 4.01. Sale of the Series A Bonds.** The Series A Bonds shall be offered for sale by competitive public bidding in accordance with the terms contained in the Notice of Sale in substantially the form on file with the Clerk of the Board, together with any changes thereto which are approved by a District Representative in accordance with Section 5 of the District Resolution. The Series A Bonds shall be sold to the best responsible bidder as determined under the provisions of the Notice of Sale. Provisions may be made for cancellation, postponement or rescheduling of the sale in accordance with the Notice of Sale. The Board authorizes and directs the District to cause to be published an appropriate notice of the sale of the Bonds in *The Bond Buyer*, a financial newspaper of statewide circulation, in accordance with Section 53692 of the Government Code.

The County Treasurer is hereby authorized and directed to accept, on behalf of the County and the District, the best responsive bid for the Bonds, provided that interest on the Bonds does not exceed the legal maximum per annum and the price paid for the Bonds is not less than the par value thereof. If such true interest cost and price are acceptable to the County Treasurer, the County Treasurer is hereby authorized and directed to award the sale of the Series A Bonds.

**Section 4.02. Debt Service Fund.** The County Controller shall create and the County Treasurer shall maintain while the Series A Bonds are outstanding an interest and sinking fund for the Series A Bonds, designated the "San Mateo-Foster City School District Series A Debt Service Fund". The Debt Service Fund shall be maintained by the County Treasurer as a separate account, distinct from all other funds of the District, into which shall be paid on receipt thereof, (i) any premium received on the sale of the Series A Bonds, and (ii) the proceeds of any taxes levied under Section 3.04.

**Section 4.03. Disbursements From Debt Service Fund.** The Debt Service Fund shall be administered and disbursements made in the manner set forth in this Section 4.03. Amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series A Bonds as the same become due and payable, shall be transferred by the County Treasurer to the Paying Agent which, in turn,

shall pay such moneys to DTC to pay the principal of and interest on the Series A Bonds. DTC will thereupon make payments of principal and interest on the Series A Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series A Bonds. Any moneys remaining in the Debt Service Fund after the Series A Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, as provided in Section 15234 of the Bond Law. As provided in Section 15232 of the Bond Law, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Series A Bonds elsewhere than at the office of the County Treasurer.

**Section 4.04. Investment of Funds.** All moneys held in any of the funds or accounts established with the County hereunder shall be invested in any one or more investments generally permitted to school districts under the laws of the State of California, consistent with the County investment policy. Such investments shall be made under the direction and discretion of the County Treasurer. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof.

**Section 4.05. Official Actions.** All actions heretofore taken by the officers and agents of the County with respect to the sale and delivery of the Series A Bonds are hereby approved, and the County Treasurer and all other officers of the County are hereby authorized and directed for and in the name and on behalf of the Board, 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 sale and delivery of the Series A Bonds in accordance with this Resolution.

**Section 4.06. No Liability of the County.** Notwithstanding anything stated to the contrary in this Resolution, (a) the Series A Bonds are not a debt of the County, including its Board, officers, officials, agents and employees, and the County, including its Board, officers, officials, agents and employees, has no obligation to repay the Series A Bonds; (b) no part of any fund of the County is pledged or obligated to the payment of the Series A Bonds; and (c) the Board's sole responsibilities hereunder are to issue, sell and levy a tax for the repayment of the Series A Bonds, as provided in Sections 15140, 15146 and 15250, respectively, of the Education Code, and neither the County, nor the Board, nor any officer, official, agent or employee of the County, has any obligation or liability hereunder or in connection with the transactions contemplated hereby other than as specified in said Code Sections; (ii) the Series A Bonds, including interest thereon, are payable solely from taxes levied by the Board under Section 15250 of the California Education Code; and (iii) the County, including its Board, officers, officials, agents and employees, shall retain all of their respective constitutional and statutory privileges, immunities, rights and defenses in carrying out their duties under this Resolution. The County makes no assurance regarding the use of the proceeds of the Series A Bonds by the District.

**Section 4.07. Limited Duties of County; Indemnification.** The County, including its Board, officers, officials, agents and employees, shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of the District's default with

respect to the repayment of the Series A Bonds, including interest thereon, no implied covenants or obligations shall be read into this Resolution against the County, including its Board, officers, officials, agents and employees. The District has agreed to indemnify, defend and hold harmless the County, including its Board, officers, officials, agents and employees, against the payment of any and all liabilities, losses, costs and expenses (including attorneys fees and court costs), damages and claims which the County, including its Board, officers, officials, agents and employees, may incur in the exercise and performance of its or their powers and duties hereunder which are not due to its or their negligence or bad faith.

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

**Section 5.01. Events of Default.** Any one or more of the following events constitute an "event of default" under this Resolution:

- (a) default by the District in the due and punctual payment of the principal of or redemption premium, if any, on any Series A Bond when and as the same become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) default by the District in the due and punctual payment of any installment of interest on any Series A Bond when and as such interest installment becomes due and payable;
- (c) default by the District in the observance of any of the covenants, agreements or conditions on its part contained in this Resolution, in the District Resolution or in the Series A Bonds, and the continuation of such default for a period of 30 days after written notice thereof has been given to a District Representative; or
- (d) the filing by the District of a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the District or of the whole or any substantial part of its property.

**Section 5.02. Remedies of Series A Bond Owners.** Upon the occurrence and during the continuation of any event of default, any Series A Bond Owner has the right, for the equal benefit and protection of all Series A Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution, in the District Resolution and in the Series A Bonds, and to require the

carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series A Bond Owners' rights; or
- (c) by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

**Section 5.03. Remedies Not Exclusive.** No remedy herein conferred upon the Owners of Series A Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Series A Bond Owners.

**Section 5.04. Non-Waiver.** Nothing in this Article V or in any other provision of this Resolution, or in the Series A Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Series A Bonds to the respective Owners of the Series A Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Series A Bonds.

A waiver of any default by any Series A Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series A Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Series A Bond Owners by this Article V may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Series A Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Series A Bond Owners, the District and the Series A Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

## ARTICLE VI

### AMENDMENT OF THIS RESOLUTION

**Section 6.01. Amendments Without Consent of the Owners.** For any one or more of the following purposes and at any time or from time to time, the Board may by Supplemental Resolution amend this Resolution for any of the following purposes, without the requirement of consent of the Owners of the Series A Bonds:

- (a) To add covenants and agreements of the Board in this Resolution, which are not contrary to or inconsistent with this Resolution as theretofore in effect;



- (b) To add limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (c) To confirm, as further assurance, any pledge of the District under this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, or in any other respect whatsoever, provided that any amendment made under this subsection (d) does not materially adversely affect the security for the Series A Bonds in the opinion of Bond Counsel filed with the District, the Paying Agent and the County; or
- (e) To make such additions, deletions or modifications as may be necessary to assure the exclusion from gross income for purposes of federal income taxation of interest on the Series A Bonds.

The Board will adopt a Supplemental Resolution for any one or more of the foregoing purposes only at the written direction of the District, and only if the adoption of such Supplemental Resolution is in accordance with the provisions of this Resolution.

**Section 6.02. Supplemental Resolutions Effective With Consent to the Owners.** Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Series A Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the Series A Bonds Outstanding at the time such consent is given. No such modification or amendment may permit a change in the terms of maturity of the principal of any Outstanding Series A Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or reduce the percentage of Series A Bonds the consent of the Owners of which is required to effect any such modification or amendment, or change any of the provisions in Section 5.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged by the District for the repayment of the Series A Bonds without the consent of all the Owners of such Series A Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

## ARTICLE VII

### MISCELLANEOUS

#### Section 7.01.

(a) Appointment. The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California, is hereby appointed the initial Paying Agent for the Series A Bonds (the "Paying Agent").

(b) Principal Corporate Trust Office. Unless otherwise specifically noted, any

reference herein to the "principal corporate trust office" of the Paying Agent for purposes of transfer, registration, exchange, payment, and surrender of the Series A Bonds shall initially mean the office of the Paying Agent in Los Angeles, California; provided, however, that in any case "Paying Agent" shall refer to any successor paying agent/registrar or transfer agent for the Series A Bonds, and "principal corporate trust office" shall include the principal corporate trust office or other office of such successor Paying Agent designated thereby for a particular purpose.

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

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

(e) Replacement or Resignation of Paying Agent. If, at any time, the County shall determine to replace the Paying Agent then acting hereunder, or if the Paying Agent shall submit its resignation, then the County Treasurer shall, in his or her sole discretion, immediately appoint a successor paying agent to act as Paying Agent hereunder; provided that, if an immediate successor cannot be found, then the replacement or resignation of the Paying Agent shall not take effect for a period of 30 days, unless the County Treasurer shall agree to act as paying agent hereunder until such successor paying agent is able to assume the duties of Paying Agent hereunder.

**Section 7.02. Benefits of Resolution Limited to Parties.** Nothing in this Resolution, expressed or implied, is intended to give to any person other than the Board, the District, the Paying Agent, any bond insurer and the Owners of the Series A Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District are for the sole and exclusive benefit of the Owners of the Series A Bonds.

### **Section 7.03. Defeasance.**

(a) Manner of Defeasance. Series A Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Series A Bonds, as and when the same become due and payable;

- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem such Series A Bonds; or
- (iii) by delivering such Series A Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Series A Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series A Bonds have not been surrendered for payment, this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 7.03(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys held by it under this Resolution which are not required for the payment or redemption of Series A Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series A Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem any Outstanding Series A Bond (whether upon or prior to its maturity or the redemption date of such Series A Bond), provided that, if such Series A Bond is to be redeemed prior to maturity, notice of such redemption is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving of such notice, then all liability of the District in respect of such Series A Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series A Bond by the District, and the District shall remain liable for such payment, but only out of such money deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 7.03(d) apply in all events.

(c) Deposit of Money with Treasurer or Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Treasurer or the Paying Agent money or securities in the necessary amount to pay or redeem any Series A Bonds, the money or securities so to be deposited or held may be held by the Treasurer or Paying Agent. Such money may include money held in the funds and accounts established under this Resolution and shall be

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Series A Bonds and all unpaid interest thereon to maturity, or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal of and all unpaid interest to maturity,

on the Series A Bonds to be paid, as such principal and interest become due;

provided, in each case, that the Treasurer or the Paying Agent, as the case may be, shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such principal and interest with respect to such Series A Bonds.

(d) Transfer of Funds to District After Discharge of Resolution. Any moneys held by the Treasurer in trust for the payment of the principal or redemption price of, or interest on, any Series A Bonds and remaining unclaimed for one (1) year after the principal of all of the Series A Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or one (1) year after the date of deposit of such moneys if deposited after said date when all of the Series A Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Treasurer with respect to such moneys shall thereupon cease; *provided, however,* that before the repayment of such moneys to the District as aforesaid, the Treasurer may (at the cost of the District) first mail to the Owners of all Series A Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Treasurer, with respect to the Series A Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

**Section 7.04. Execution of Documents and Proof of Ownership by Bond Owners.** Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series A Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series A Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series A Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of the Series A Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series A Bond shall bind all future Owners of such Series A Bond in respect of anything done or suffered to be done by the District, the Paying Agent or a District Representative in good faith and in accordance therewith.

**Section 7.06. Waiver of Personal Liability.** No Board member, officer, agent or employee of the Board or the District shall be individually or personally liable for the payment of the principal of or interest on the Series A Bonds.

**Section 7.07. Destruction of Canceled Bonds.** Whenever in this Resolution provision is made for the surrender to the District of any Series A Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series A Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series A Bonds therein referred to.

**Section 7.08. Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Resolution is for any reason held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series A Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in a District Representative in trust for the benefit of the Series A Bond Owners. Nothing in this Section 7.08 is intended to create, nor do the other provisions of this Resolution create, any liability or obligation of the Board or the County beyond those specifically imposed by statute, as specifically referenced in Sections 4.06 and 4.07.

**Section 7.09. Effective Date of Resolution.** This Resolution shall take effect from and after the date of its passage and adoption.

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**APPENDIX A**

**FORM OF SERIES A BONDS**

**FORM OF CURRENT INTEREST BOND**

**UNITED STATES OF AMERICA  
STATE OF CALIFORNIA  
SAN MATEO COUNTY**

**SAN MATEO-FOSTER CITY SCHOOL DISTRICT**

**(San Mateo County, California)  
GENERAL OBLIGATION BOND,  
ELECTION OF 2008, SERIES A**

**INTEREST RATE:      MATURITY DATE:      ISSUE DATE:      CUSIP:**

**REGISTERED OWNER:**

**PRINCIPAL SUM:      DOLLARS**

The SAN MATEO-FOSTER CITY SCHOOL DISTRICT, a school district, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it will bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the 15<sup>th</sup> day of the month preceding such interest payment date, in which event it will bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to January 15, 2009, in which event it will bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond will bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on February 1 and August 1 in each year, commencing February 1, 2009, calculated on the basis of a 360-day year comprised of twelve 30-day months.

Principal hereof is payable at the office of Bank of New York Mellon Trust Company, N.A. as paying agent (the "Paying Agent"), in Los Angeles, California. Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of

the close of business on the 15<sup>th</sup> day of the month next preceding such interest payment date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of Bonds of the District designated the "San Mateo-Foster City School District (San Mateo County, California) General Obligation Bonds, Election of 2008, Series A" (the "Bonds"), in an aggregate principal amount of \$55,000,000, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued under the provisions of Chapter 1.5 of Part 10 of Division 1 of the California Education Code of the California Education Code (the "Bond Law"), and under Resolution No. \_\_\_\_ of the Board of Supervisors of San Mateo County adopted \_\_\_\_\_, 2008 (the "Resolution"), authorizing the sale of the Bonds. The Bonds are being issued subject to the terms and conditions of the Resolution. All capitalized terms herein shall have the same meaning as the capitalized terms in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the District) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District. Subject to Education Code Section 15250, the Board of Supervisors of the County has the power and is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

The Bonds maturing on or before August 1, 20\_\_, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20\_\_, and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with accrued interest thereon to the date fixed for redemption.

Redemption Dates

Redemption Price

*[If applicable:]* The Bonds maturing on August 1, 20\_\_ (the "Term Bonds") are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of \$5,000, as designated in written notice filed by the District with the Paying Agent.

Redemption Date  
(August 1)

Principal  
Amount

\$

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 and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed among maturities as designated by the District.

The Paying Agent shall give notice of the redemption of the Bonds at the direction and the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed affects the sufficiency of the proceedings for the redemption of such Bonds.

The County of San Mateo, including its Board, officers, officials, agents and employees: (i) are not liable for the payment of the Bonds, including the interest hereon; and (ii) shall retain all their respective constitutional and statutory privileges, immunities, rights and defenses in carrying out their duties under the Resolution.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.



This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in Los Angeles, California, but only in the manner and subject to the limitations provided in the Resolution, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

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

The Resolution may be amended without the consent of the Owners of the Bonds to the extent set forth in the Resolution.

The District has certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that all things necessary to consummate the lawful issuance and sale of the Bonds, the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution or become valid or obligatory for any purpose until the Certificate of Authentication hereon has been signed manually by the Paying Agent.

IN WITNESS WHEREOF, the San Mateo-Foster City School District, San Mateo County, California has caused this San Mateo-Foster City School District (San Mateo County, California) General Obligation Bond, Election of 2008, Series A to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Supervisors of the County and by the manual signature of the Tax Collector/Treasurer of the County, and to be countersigned by the manual or facsimile 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 Issue Date stated above.

**BOARD OF SUPERVISORS OF THE  
COUNTY OF SAN MATEO**

By \_\_\_\_\_  
President of the Board of  
Supervisors

By \_\_\_\_\_  
Tax Collector/Treasurer  
of the County of San Mateo

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This is one of the San Mateo-Foster City School District (San Mateo County, California) General Obligation Bonds, Election of 2008, Series A described in the within-mentioned Resolution.

Authentication Date:

\_\_\_\_\_  
*as Paying Agent*

\_\_\_\_\_  
Authorized Signatory

**FORM OF ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

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

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a qualified guarantor

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

FORM OF CAPITAL APPRECIATION BOND

CAB No. \_\_\_\_\_

\$ \_\_\_\_\_  
(MATURITY VALUE)

SAN MATEO-FOSTER CITY SCHOOL DISTRICT  
(San Mateo County, California)  
GENERAL OBLIGATION BONDS, ELECTION OF 2008, SERIES A

ACCRETION RATE: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_ DATE OF ISSUANCE: \_\_\_\_\_, 2008 CUSIP: \_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The SAN MATEO-FOSTER 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 Maturity Value on the Maturity Date, each as stated above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value"). Accreted Value is 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 is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the The Bank of New York Mellon Trust Company, N.A. Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in \_\_\_\_\_, California.

This bond is one of a series of \$ \_\_\_\_\_ of bonds issued to repair, renovate, construct, and equip existing school facilities, to serve the District under authority of and pursuant to the laws of the State of California and the requisite fifty-five percent vote of the electors of the District obtained at an election held on February 5, 2008, upon the question of issuing bonds in the amount of \$175,000,000, the resolution of the Board of Trustees of the District adopted on \_\_\_\_\_, 2008 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on \_\_\_\_\_, 2008 (the "County 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 a debt or 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.

The bonds of this issue are comprised of \$ \_\_\_\_\_ principal amount of Current Interest Bonds and Capital Appreciation Bonds, of which this bond is a part (a "Capital Appreciation Bond"), and of which \$ \_\_\_\_\_ represents the Denominational Amount and \$ \_\_\_\_\_ Maturity Value.

The bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 Maturity Value or any integral multiple thereof. This bond is exchangeable and transferable for bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent., all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent 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 Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15<sup>th</sup> day of the month 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 Capital Appreciation Bonds are subject to redemption prior to their stated maturity date, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20\_\_\_\_, at a redemption price equal to the Accreted Value of the Capital Appreciation Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Capital Appreciation Term Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption from monies in the Debt Service Fund prior to their stated maturity date, by lot, at the Accreted Value thereof without premium on each \_\_\_\_\_, in the years and in an amount equal to the aggregate Accreted Values set forth below:

(MANDATORY REDEMPTION TABLE)

Reference is made to the County 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 Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The owner of this bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

It is certified and recited that all acts and conditions required of the County 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; 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.

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

IN WITNESS WHEREOF, the County of San Mateo, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Supervisors of the County and by the manual signature of the Tax Collector/Treasurer of the County, and to be countersigned by the manual or facsimile 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 of the Board of  
Supervisors

By \_\_\_\_\_  
Tax Collector/Treasurer of San  
Mateo

COUNTERSIGNED:

By \_\_\_\_\_  
Clerk of the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signatory

(FORM OF ASSIGNMENT)

For value received, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_

(print/type name, address, zip code, tax identification or Social Security number of assignee)

the within Bond and do(es) irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

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

Signature Guaranteed:

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

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration of any change whatever.

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Jones Hall, A Professional Law Corporation 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.

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Clerk, Board of Supervisors

(TEXT OF LEGAL OPINION)