

RESOLUTION NO. _____

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

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RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF BONDS OF THE MILLBRAE SCHOOL DISTRICT, PRESCRIBING THE TERMS OF SALE BY COMPETITIVE BID, OR IN THE ALTERNATIVE BY NEGOTIATED SALE, OF NOT TO EXCEED \$12,000,000 OF SAID BONDS, APPROVING FORMS OF AND AUTHORIZING DISTRIBUTION OF OFFICIAL NOTICE OF SALE, NOTICE OF INTENTION TO SELL BONDS AND BOND PURCHASE CONTRACT, DELEGATING TO THE COUNTY TREASURER-TAX COLLECTOR AUTHORIZATION TO AWARD BID FOR SAID BONDS, AND AUTHORIZING EXECUTION OF NECESSARY CERTIFICATES.

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

WHEREAS, an election was duly called and regularly held in the Millbrae School District, County of San Mateo, California (herein called the "District"), on November 4, 2008, pursuant to Section 15100 and following of the Education Code of the State of California, at which a bond proposition summarized as follows was submitted to the electors of the District:

"To renovate and modernize the elementary and middle schools in the Millbrae Elementary School District, repairing or replacing aging roofs, worn plumbing, heating, ventilating, lighting and electrical systems with new, energy efficient systems, increasing student access to computers and technology and creating a dedicated technology fund, shall the District issue \$30 million in bonds at interest rates within the statutory limit with all expenditures audited and reviewed by a citizens' oversight committee?";

and

WHEREAS, passage of said proposition required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

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

and

WHEREAS, the Superintendent of Schools of the County of San Mateo has jurisdiction over the District; and

WHEREAS, pursuant to Education Code Section 15140 and following, the Board of Trustees of the District has requested this Board of Supervisors of the County of San Mateo (the "County") to authorize and consummate the sale and issuance of a portion of said bonds in a single series designated the "Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A)" in an aggregate principal amount not exceeding \$12,000,000, according to the terms and in the manner set forth in a resolution duly adopted by the Board of Trustees of the District on January 12, 2009, a certified copy of which has been filed with the Clerk of this Board of Supervisors; and

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

WHEREAS, the Board of Trustees of the District has authorized sale of said Bonds by negotiated sale if market conditions are not favorable to a competitive sale; and

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

WHEREAS, there have been submitted and are on file with the Clerk of this Board of Supervisors proposed forms of an Official Notice of Sale of Bonds and a Notice of Intention to Sell Bonds, as well as a Bond Purchase Contract, with respect to not to exceed \$12,000,000 aggregate principal amount of Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A), proposed to be sold;

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED:

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

Section 2. District Resolution Received: This Board of Supervisors hereby acknowledges receipt of the Resolution of the Board of Trustees of the District adopted on January 12, 2009.

Section 3. Authorization and Designation of Bonds: Pursuant to Education Code Section 15140 and following, this Board of Supervisors hereby authorizes, on behalf of the Millbrae School District, the sale of not to exceed \$12,000,000 aggregate principal amount of bonds of the District by competitive sale to the responsible bidder who makes the lowest interest cost bid (subject to Section 12(d) hereof), and designates said bonds to be issued and sold as the "Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A)" (the "Series A

Bonds" or the "Bonds"). The Series A Bonds shall be issued as current interest Bonds, as provided in Section 5 hereof.

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

Section 4. Form of Bonds; Execution: (a) Book-Entry. The Depository Trust Company, New York, New York, is hereby appointed depository for the Series A Bonds. The Series A Bonds shall be issued in book-entry form only, and shall be initially registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and registered ownership of the Series A Bonds may not thereafter be transferred except as provided in Section 9 hereof. One bond certificate shall be issued for each maturity of the Series A Bonds; provided that if different CUSIP numbers are assigned to Bonds maturing in a single year, additional Bond certificates shall be prepared for each such maturity.

(b) Form of Certificates. The Series A Bonds shall be issued in fully registered form without coupons. The Series A Bonds and the Paying Agent's certificate of authentication and registration and the form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution; provided, that if a portion of the text of any Series A Bond is printed on the reverse of the Series A Bond, the following legend shall be printed on the face of such Series A Bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE."

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

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

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

Section 5. Terms of Bonds: (a) Date of Bonds. The Series A Bonds shall be dated their date of delivery, or such other date as shall be specified in the Certificate of Award or Bond Purchase Contract, as applicable.

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

(c) Maturity. The Series A Bonds shall mature on the date or dates, in each of the years, in the principal amounts and in the aggregate principal amount as shall be specified in the Certificate of Award or Bond Purchase Contract, as applicable. No Series A Bond shall mature prior to July 1, 2010, and no Series A Bond shall mature later than the date which is 25 years from the date of the Bonds, to be determined as provided in subsection (a) of this Section. No Series A Bond shall have principal maturing on more than one principal maturity date.

(d) Interest. As used in this Resolution and in the Bonds, the terms "interest payment date," and "interest date" shall be interchangeable, and shall mean January 1 and July 1 of each year, or such other dates as shall be specified in the Certificate of Award or Bond Purchase Contract, as applicable.

Each maturity of the Series A Bonds shall bear interest at its nominal interest rate specified in the Certificate of Award, computed on the basis of a 360-day year of twelve 30-day months, payable on January 1 and July 1 in each year, commencing January 1, 2010 (or on such other initial and semiannual interest payment dates as shall be specified in the Certificate of Award or Bond Purchase Contract, as applicable.). Each Series A Bond authenticated and registered on any date prior to the close of business on the first Record Date (as defined in Section 6(b)) shall bear interest from the date of said Series A Bond. Each Series A Bond authenticated during the period between a Record Date and the close of business on its corresponding interest payment date shall bear interest from such interest payment date. Any other Series A Bond shall bear interest from the interest payment date immediately preceding the date of its authentication. If, at the time of authentication of any Series A Bond, interest is in default on any outstanding Series A Bonds, such Series A Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the outstanding Series A Bonds.

Section 6. Payment: (a) Principal. The principal of the Series A Bonds shall be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent (as described in Section 8(c) hereof) as the registered owner thereof (the "Owner"), upon the surrender thereof at the principal corporate trust office of the Paying Agent.

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

(c) Interest and Sinking Fund: Principal and interest due on the Series A Bonds shall be paid from the interest and sinking fund of the District as provided in Section 15146 of the Education Code of the State of California. The Bonds do not constitute a debt of the County.

Section 7. Redemption Provisions: (a) Optional Redemption. The Series A Bonds shall be subject to redemption at the option of the District on the dates and terms as shall be specified in the Certificate of Award or Bond Purchase Contract, as applicable. The Certificate of Award may provide that the Series A Bonds shall not be subject to optional redemption. The "redemption date" is that date on which the Bonds which are called are to be presented for redemption.

If less than all of the Series A Bonds are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District, and if less than all of the Series A Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot. For purposes of such selection, each shall be deemed to consist of individual Bonds of \$5,000 denominations each, which may be separately redeemed.

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

(b) Mandatory Sinking Fund Redemption. The Series A Bonds, if any, which are designated (at the option of the purchaser thereof) in the Certificate of Award as Series A Term Bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Certificate of Award or Bond Purchase Contract, as applicable. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Series A Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Certificate of Award or Bond Purchase

Contract, as applicable, may provide that the Series A Bonds shall not be subject to mandatory sinking fund redemption.

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

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

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

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

(d) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners and to the appropriate securities depositories and information services as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Series A Bond or by any securities depository or information service of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

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

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

(f) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in said notice of redemption. Such moneys so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all moneys in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the

interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Bonds, said moneys shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from said fund; provided, however, that if said moneys are part of the proceeds of bonds of the District, said moneys shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

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

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

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

Section 8. Paying Agent: (a) Appointment. The 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 Section 10 hereof.

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

(e) Replacement or Resignation of Paying Agent. If, at any time, the County Treasurer-Tax Collector shall determine to replace the Paying Agent then acting hereunder, or if the Paying Agent shall submit its resignation, then the Treasurer-Tax Collector 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-Tax Collector shall agree to act as paying agent hereunder until such successor paying agent is able to assume the duties of Paying Agent hereunder.

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

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

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the

District) to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section, upon receipt of the outstanding Series A Bonds by the Paying Agent, together with a written request of the District or County to the Paying Agent, a new Series A Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Series A Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section, upon receipt of the outstanding Series A Bonds by the Paying Agent together with a written request of the District or County to the Paying Agent, new Series A Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Section 5 and the receipt of such a written request of the District or County, and thereafter, the Series A Bonds shall be transferred pursuant to the provisions set forth in Section 10 of this resolution; provided, that the Paying Agent shall not be required to deliver such new Series A Bonds within a period of fewer than 60 days after the receipt of any such written request of the District or County.

(c) The County, the District and the Paying Agent shall be entitled to treat the person in whose name any Series A Bond is registered as the owner thereof, notwithstanding any notice to the contrary received by the County, the District or the Paying Agent; and the County, the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series A Bonds, and neither the County, the District or the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner of any Series A Bonds.

(d) So long as the outstanding Series A Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in

effecting payment of the principal of and interest on the Series A Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (e.g., by wire transfer) on the date they are due.

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

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

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

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

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

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

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

Section 12. Sale of Bonds: (a) Official Notice of Sale; Date of Sale. The Official Notice of Sale inviting bids for the Series A Bonds, in substantially the form on file with the Clerk of this Board of Supervisors, is hereby approved, and the County Treasurer-Tax Collector is hereby authorized and directed to cause the Official Notice of Sale to be completed, upon consultation with the District and Northcross, Hill & Ach, Inc., San Rafael, California, financial advisor to the District with respect to the Series A Bonds (herein called the "Financial Advisor"), by inserting therein the maturity schedules for the Series A Bonds, and making such other corrections, revisions or additions as shall be deemed necessary. The Financial Advisor is hereby authorized and directed to cause to be mailed to prospective bidders for the Bonds (including by posting to an appropriate Internet website which shall be accessible to interested bidders) copies of said Official Notice of Sale in the form finally approved by the County.

Bids for the Series A Bonds shall be received on behalf of this Board of Supervisors on February 25, 2009 (or on such other date as shall be determined by the County Treasurer-Tax Collector, so long as such date is not later than August 31, 2009), at the hour and place designated in said Official Notice of Sale.

(b) Advertisement for Bids. The Notice of Intention to Sell Bonds, in substantially the form on file with the Clerk of this Board of Supervisors, is hereby approved, and the Clerk of this Board of Supervisors is hereby authorized and directed to cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions thereto as shall be deemed necessary upon consultation with the District, to be published in accordance with Section 15147 of the Education Code before the date of sale in a financial publication generally circulated throughout the State of California or which the Financial Advisor advises is expected to be disseminated among prospective bidders for the Bonds, and such publication is hereby expressly ratified and approved.

(c) Award of Bonds; Certificate of Award. The County Treasurer-Tax Collector or his designee, as delegate of this Board of Supervisors, is hereby authorized to entertain bids for the Series A Bonds, and to accept the lowest true interest cost bid, provided that (i) such true interest cost shall be no greater than 7.5%, calculated as specified in the Official Notice of Sale, (ii) the nominal interest rate on any Series A Bonds shall not be in excess of 12% per annum; and (iii) the price to be paid for the Series A Bonds shall not be less than the principal amount thereof, plus accrued interest, if any, to the date of delivery, and (iv) the bidder has agreed to pay specified costs of issuance of the Series A Bonds on behalf of the District, to the extent and in

such type and amount as shall be determined and set forth in the Official Notice of Sale and bid form.

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

The Certificate of Award shall recite the aggregate principal amount of the Series A Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof. The Certificate of Award, together with this Resolution, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code of the State of California.

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

(d) Negotiated Sale of Bonds. As a complete alternative to the procedures specified in subdivisions (a) and (b) of this section, the Board of Supervisors hereby authorizes, if the County Treasurer-Tax Collector or his designee shall determine, upon consultation with the District and its Financial Advisor, that market conditions are not favorable to a competitive sale and the District would be more likely to realize savings in interest costs through a negotiated sale, the sale of the Series A Bonds by negotiated sale to an underwriter on such terms to be finally determined and set forth in the Bond Purchase Contract, submitted to and on file with the Clerk of this Board of Supervisors, between the County, the District and the underwriter named therein; provided that the underwriter's discount for the sale of the Series A Bonds shall not be in excess of 2% of the principal amount of the Series A Bonds sold.

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

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

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

(d) The County makes no assurance regarding the application of the proceeds of the Series A Bonds by the District.

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

If, at the time of the offering and sale of the Bonds, the District represents to the County Treasurer-Tax Collector that the reasonably anticipated amount of qualified tax-exempt obligations which have been and will be issued by the District, or by any other entity on behalf of the District, in 2009, including the Bonds, does not and will not exceed \$10,000,000, the County Treasurer-Tax Collector is hereby authorized, acting on behalf of the District and at his/her discretion, to designate the Bonds as qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Code.

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

Section 16. Limited Responsibility for Official Statement: Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the official statement of the District describing the Series A Bonds (the "Official Statement"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the County Treasurer-Tax Collector, the County Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a preliminary Official Statement, and to certify in writing prior to or upon the issuance of the Series A Bonds that the information

contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 17. Approval of Actions: The President of this Board of Supervisors, the Clerk of this Board of Supervisors, the County Controller, the County Counsel, and the County Treasurer-Tax Collector and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates and representations, as may be acceptable to County Counsel, including signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with the sale of the Series A Bonds, necessary or desirable to accomplish the transactions authorized herein.

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

* * * * *

EXHIBIT A

[Form of Series A Bond]

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

MILLBRAE SCHOOL DISTRICT
2009 GENERAL OBLIGATION BONDS (ELECTION OF 2008, SERIES A)

[This bond is part of an issue of bonds which have been designated by the issuer as qualified tax-exempt obligations for purposes of section 265(b)(3) of the Internal Revenue Code of 1986.]

Dated as of Interest Rate Maturity Date CUSIP NO.
_____ % _____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

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

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

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated

as "Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A)" (the "Bonds"). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 4, 2008. The Bonds are issued and sold by the Board of Supervisors of the County, pursuant to and in strict conformity with the provisions of the Constitution and laws of the State of California, and of a resolution (herein called the "Resolution") adopted by said Board of Supervisors on February 3, 2009, and subject to the more particular terms specified in the Certificate of Award of the Bonds executed by the Treasurer of the County on

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

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

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

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

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

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

IN WITNESS WHEREOF the Board of Supervisors of the County of San Mateo has caused this MILLBRAE SCHOOL DISTRICT 2009 GENERAL OBLIGATION BONDS (ELECTION OF 2008, SERIES A), to be signed by its President and by the Treasurer-Tax Collector of the County, and such signatures to be countersigned by the Clerk of said Board, as of the date set forth above.

[draft – not for signature]
President of the Board of
Supervisors of the County of San Mateo

[draft – not for signature]
Treasurer-Tax Collector of
the County of San Mateo

Countersigned:

[draft – not for signature]
Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the MILLBRAE SCHOOL DISTRICT 2009 GENERAL OBLIGATION BONDS (ELECTION OF 2008, SERIES A), described in the within-mentioned Resolution and authenticated and registered on _____.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Los Angeles, California, as Paying
Agent/Registrar and Transfer Agent

By _____ [draft – not for signature]
Authorized Officer

DTC LEGEND

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

[STATEMENT OF INSURANCE]

ASSIGNMENT

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

I.D. Number _____

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

Dated: _____

Signature Guarantee: _____

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

REDEMPTION SCHEDULE

[from Certificate of Award]

EXHIBIT B

FORM OF CERTIFICATE OF AWARD

The undersigned, Lee Buffington, Treasurer-Tax Collector of the County of San Mateo, State of California (the "County"), on behalf of the Millbrae School District (the "District"), which is located in the County, pursuant to powers delegated to me by a resolution adopted by the Board of Supervisors of the County on February 3, 2009 (the "Resolution"), duly authorizing the issuance and sale of not to exceed \$12,000,000 aggregate principal amount of Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A) (the "Bonds"), hereby certify with respect to the award of said Bonds as follows:

ACCEPTANCE OF BID

1. On [February 25], 2009, at _____ a.m., the proposals for purchase of the Bonds, summarized in Schedule A-Bid Results attached hereto, were received and opened in accordance with the Official Notice of Sale for the purchase of the Bonds, dated [February 3], 2009 (the "Official Notice of Sale"). [The time of sale was changed to _____ a.m. in accordance with the Resolution and the Official Notice of Sale, and notice thereof was given prior to the originally scheduled time of sale through the Thomson Municipal News wire.]

2. The proposal submitted by **[Underwriter]** is in compliance with all of the terms and conditions set forth in the Official Notice of Sale.

3. The bid of **[Underwriter]** is the best responsive bid as determined by the method of calculation for such best responsive bid, set forth in the Official Notice of Sale, as follows:

Purchase Price: ([without/including] premium)	\$ _____
Total Debt Service: (dated date to maturity)	\$ _____
True Interest Cost:	_____ %

4. The Bonds are hereby awarded to **[Underwriter]** (the "Purchaser") based on the true interest cost shown above.

5. All proposals set forth in Schedule A-Bid Results other than said accepted bid of the Purchaser are hereby rejected.

TERMS OF THE BONDS

1. The Bonds shall be dated _____.
2. The aggregate principal amount of the Bonds is hereby determined to be \$_____ [adjusted in accordance with the Official Notice of Sale], and the [adjusted] True Interest Cost is hereby determined to be _____%.
3. The [adjusted] purchase price of the Bonds, including accrued interest, is \$_____.
4. The maturity dates, principal amounts, and interest rates of each maturity of the Bonds shall be as set forth in the summary of the accepted bid of the Purchaser attached hereto as Schedule B.
5. Interest on the Bonds shall be payable on _____ of each year, commencing _____.
6. (a) The Bonds shall be subject to optional redemption in accordance with the terms specified in the Resolution and as further specified below:

(b) The Millbrae School District 2009 General Obligation Bonds (Election of 2008, Series A), shall be subject to mandatory sinking fund redemption prior to their stated maturity date, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and years shown in Schedule B-the Purchaser's "Sinking Fund of Term Bond" attached hereto.

This award of the MILLBRAE SCHOOL DISTRICT 2009 GENERAL OBLIGATION BONDS (ELECTION OF 2008, SERIES A), is hereby made at the date and time below.

Dated: _____, 2009,
at: _____ p.m. [a.m.]

COUNTY OF SAN MATEO

By _____ [draft – not for signature]
Lee Buffington
Treasurer-Tax Collector

SCHEDULE A

(To Certificate of Award)

**Millbrae School District
2009 General Obligation Bonds
(Election of 2008, Series A)**

BID RESULTS

[insert screen printout from Parity]

SCHEDULE B
(To Certificate of Award)

**Millbrae School District
2009 General Obligation Bonds
(Election of 2008, Series A)**

MATURITY SCHEDULE
(Summary of Accepted Bid)

[insert screen printout from Parity]

CLERK'S CERTIFICATE

I, _____, Deputy Clerk of the Board of Supervisors (the "Board") of the County of San Mateo, do hereby certify that the attached is a full, true and correct copy of a resolution and order duly adopted at a regular meeting of the Board duly and regularly and legally held at the regular meeting place thereof on February 3, 2009, and duly entered in the minutes of said meeting, of which meeting all the members of the Board had due notice and at which a quorum thereof was present.

An agenda of said meeting was posted at least 72 hours before said meeting at 400 County Center, Redwood City, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I further certify that I have carefully compared the attached copy with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

WITNESS my hand this _____ day of _____.

Deputy Clerk of the Board of Supervisors
County of San Mateo