

**BOARD OF TRUSTEES
HILLSBOROUGH CITY SCHOOL DISTRICT**

RESOLUTION NO. 2023-02

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING
GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES FOR THE
PURPOSE OF PURCHASING OUTSTANDING 2020 REFUNDING BONDS AND
THEREBY REALIZING INTEREST COST SAVINGS, AND APPROVING ALL
RELATED DOCUMENTS AND ACTIONS INCLUDING AN AGENT
ENGAGEMENT AGREEMENT, ONE OR MORE HOLDER PURCHASE
AGREEMENTS AND BOND PURCHASE AGREEMENTS, AND APPROVING
THE FORM OF ONE OR MORE OFFICIAL STATEMENTS**

WHEREAS, in order to finance the construction, modernization and improvement of its school facilities, the Board of Trustees (the "Board") of the Hillsborough City School District (the "District") of San Mateo County (the "County"), in the State of California (the "State") has called special bond elections and presented bond measures to its voters, and following voter-approval, has issued general obligation bonds secured by voter-approved levies of *ad valorem* property taxes in the District; and

WHEREAS, the District has previously issued its Hillsborough City School District (San Mateo County, California) 2020 Refunding General Obligation Bonds (Federally Taxable), on June 18, 2020 in the original aggregate original principal amount of \$53,910,044.80, in the form of both current interest bonds and capital appreciation bonds (the "2020 Bonds"); and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law (collectively, the "Refunding Bond Law"), the District is authorized to issue refunding bonds to refund some or all of the 2020 Bonds; and

WHEREAS, the Board has determined that it is in the best interest of the District and its taxpayers to refund all or a portion the 2020 Bonds (such refunded 2020 Bonds being referred to herein as the "Refunded Bonds"); and

WHEREAS, pursuant to Section 53551 of the Government Code, refunding bonds may be issued for the purpose of refunding 2020 Bonds not due but which become payable by the consent of the holders of the 2020 Bonds; and

WHEREAS, certain maturities of the 2020 Bonds are not subject to optional redemption and the maturities which are subject to optional redemption commencing on September 1, 2030 cannot be refinanced for savings at this time at tax-exempt interest rates; and

WHEREAS, the District has been advised that there is an opportunity available in the bond market to refund some or all of the 2020 Bonds and to pass the interest cost savings along to District property tax payers pursuant to a purchase, cancellation and refinancing program including the issuance of tax-exempt refunding bonds; and

WHEREAS, the District wishes to appoint Raymond James & Associates, Inc., as an agent of the District (the "Agent"), with the potential objective of privately negotiating, with the beneficial owners of the 2020 Bonds (each, a "Prior Beneficial Owner" and, collectively, the "Prior Beneficial Owners"), the purchase by the District of all or any portion of the 2020 Bonds pursuant to the terms of an Agent Engagement Agreement (the "Agent Engagement Agreement") to be entered into among the District, the Agent and The Bank of New York Mellon Trust Company, N.A., as paying agent for the 2020 Bonds (the "2020 Bonds Paying Agent"); and

WHEREAS, the purchase of the 2020 Bonds will be undertaken pursuant to the terms of one or more Holder Purchase Agreements (each a "Holder Purchase Agreement"), each between the District and the Prior Beneficial Owner of the 2020 Bonds to be purchased, and as acknowledged and agreed to by the 2020 Bonds Paying Agent; and

WHEREAS, in order to provide the funding for the purchase of any 2020 Bonds so purchased by the District, the District wishes to authorize the issuance of one or more series of refunding bonds pursuant to the Refunding Bond Law, to be designated the "Hillsborough City School District (San Mateo County, California) Refunding General Obligation Bonds," with such additional or other series designations as may be approved as herein provided (collectively, the "Refunding Bonds" and each series of Refunding Bonds, individually, a "Series of Refunding Bonds"), according to the terms and in the manner herein provided; and

WHEREAS, each Series of Refunding Bonds will be sold by negotiation with Raymond James & Associates, Inc., as underwriter (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement between the District and the Underwriter; and

WHEREAS, as required by Government Code Section 5852.1, attached hereto as Appendix B is certain financial information relating to the Refunding Bonds that has been obtained by the Board and is hereby disclosed and made public; and

WHEREAS, issuance of the Refunding Bonds will be in compliance with the Debt Issuance and Management Policy which has been adopted by the Board in compliance with Government Code Section 8855;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE HILLSBOROUGH CITY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section, 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. Any capitalized terms defined in the recitals of this Resolution and not otherwise defined in this Section shall have the meaning given such terms in the recitals.

"Accreted Value" means, with respect to any Capital Appreciation Bond, the total amount of principal thereof and interest thereon as of any Compounding Date determined solely by reference to the Table of Accreted Values set forth on such Capital Appreciation Bond. The Accreted Value of any Capital Appreciation Bond as of any date other than a Compounding Date will be the sum of (a) the Accreted Value as of the Compounding Date immediately preceding the date as of which the calculation is being made plus (b) interest on the Accreted Value determined under the preceding clause (a), computed to the date as of which the calculation is being made at the Accretion Rate set forth on such Capital Appreciation Bond (calculated on the basis of a 360-day year of twelve 30-day months).

"Accretion Rate" means the rate which, when applied to the principal amount of any Capital Appreciation Bond and compounded semiannually on each Compounding Date, produces the Maturity Value of such Capital Appreciation Bond on the maturity date thereof.

"Agent" means Raymond James & Associates, Inc., as agent under the Agent Engagement Agreement.

"Agent Engagement Agreement" means the agreement between the District and the Agent relating to the negotiation with Prior Beneficial Owners for the purchase of any portion of the 2020 Bonds.

"Board" means the Board of Trustees of the District.

"Bond Counsel" means (a) the firm of Jones Hall, A Professional Law Corporation, or (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 Purchase Agreement" means the applicable Bond Purchase Agreement between the District and the Underwriter, relating to the purchase of the Refunding Bonds by the Underwriter.

"Capital Appreciation Bonds" means any Refunding Bonds which are issued in the form of capital appreciation bonds as set forth in Section 2.02(b), the interest on which is compounded semiannually on each Compounding Date and is payable in full at maturity as shown in the table of Accreted Value attached to the Capital Appreciation Bonds.

"Closing Date" means, with respect to any Series of Refunding Bonds, the date upon which there is a physical delivery of such Series of Refunding Bonds in exchange

for the amount representing the purchase price of such Series of Refunding Bonds by the Underwriter.

"Compounding Date" means, with respect to any Capital Appreciation Bond, each date on which interest on the Capital Appreciation Bonds compounds, as such dates are identified in the applicable Bond Purchase Agreement.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate which is executed and delivered by a District Representative on the Closing Date.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District in connection with the authorization, issuance, sale and delivery of the Refunding Bonds and the purchase and cancellation of the 2020 Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Prior Bond Paying Agent and the Paying Agent, legal fees and charges, fees and disbursements of consultants and professionals including the Agent, Bond Counsel and Municipal Advisor, rating agency fees, insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the Refunding Bonds and the purchase and refunding of the Refunded Bonds.

"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 Treasurer" means the San Mateo County Treasurer, or any authorized deputy thereof.

"Current Interest Bonds" means any Refunding Bonds which are designated as such in Section 2.02(a), the interest on which is payable on a current basis on each Interest Payment Date.

"Debt Service Fund" means, with respect to any Series of Refunding Bonds, the fund established and held by the County under Section 4.02 for such Series of Refunding Bonds.

"Denominational Amount" means, with respect to any Capital Appreciation Bond, the original amount of such Capital Appreciation Bond as of the Closing Date.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

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

"District" means the Hillsborough City School District, an elementary school district organized under the Constitution and laws of the State of California, and any successor thereto.

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

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

"Education Code" means the Education Code of the State of California as in effect on the date of adoption hereof and as amended thereafter.

"Federal Securities" means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; and (d) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

"Holder Purchase Agreement" means, with respect to any Series of Refunding Bonds, the applicable Holder Purchase Agreement between the District and the applicable Prior Beneficial Owner relating to the 2020 Bonds to be purchased.

"Interest Payment Date" means each semiannual date on which interest on the Current Interest Bonds is due and payable, as such dates are identified in the related Bond Purchase Agreement.

"Maturity Value" means, with respect to any Capital Appreciation Bond, the Accreted Value of such Capital Appreciation Bond to be paid at maturity.

"Municipal Advisor" means the firm of Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District in connection with the issuance and sale of the Refunding Bonds and the purchase of the Refunded Bonds.

"Office" means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder, as such office or offices are identified in a written notice filed with the District by the Paying Agent.

"Outstanding," when used as of any particular time with reference to Refunding Bonds, means all Refunding Bonds except (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation, (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02, and (c)

Refunding Bonds in lieu of or in substitution for which other Refunding Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

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

"Paying Agent" means The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar, transfer agent and authenticating agent for the Refunding Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Prior Beneficial Owner or Owners" means the beneficial owners of the 2020 Bonds.

"Prior Bond Paying Agent" means The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar, transfer agent and authenticating agent for the 2020 Bonds.

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

"Refunded Bonds" means those maturities of the 2020 Bonds which are purchased and refunded from the proceeds of the Refunding Bonds.

"Refunding Bond Law" means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Sections 53550 and 53580 of said Code, as amended from time to time.

"Refunding Bonds" means bonds which are authorized and at any time Outstanding under this Resolution, which may be authorized in more than one series from time to time as provided herein and as such the corresponding title may include appropriate modifications and designations.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and transfer of the Refunding Bonds under Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Board and 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 of Refunding Bonds" means a series of the Refunding Bonds authorized hereunder.

"State" means the State of California.

"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.

"2020 Bonds" means, Hillsborough City School District (San Mateo County, California) 2020 Refunding General Obligation Bonds (Federally Taxable), which were issued on June 18, 2020 in the aggregate original principal amount of \$53,910,044.80.

"Underwriter" means Raymond James & Associates, Inc., as the original purchaser of the Refunding Bonds upon the negotiated sale thereof pursuant to Section 3.01(a).

"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 to act on behalf of the District under a written certificate of a District Representative.

Section 1.02. Rules of 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 do 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.

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

Section 1.03. Authority for this Resolution; Findings. This Resolution is entered into under the provisions of the Refunding Bond Law. The Board hereby certifies 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 the Refunding Bonds and the purchase of the 2020 Bonds 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 the amount of the Refunding Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE REFUNDING BONDS

Section 2.01. Authorization. The Board hereby determines that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds under the provisions of the Refunding Bond Law without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District. To that end, the Board hereby authorizes the issuance of the Refunding Bonds in the aggregate principal amount of not to exceed \$60,000,000, subject to the terms of the Refunding Bond Law and this Resolution, for the purposes described and authorized herein. The Refunding Bonds may be issued in one or more series from time to time, but not later than one year from the date of adoption of this Resolution.

This Resolution constitutes a continuing agreement between the District and the Owners of all of the Refunding Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest on all Refunding Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Refunding Bonds shall be designated the "Hillsborough City School District (San Mateo County, California) Refunding General Obligation Bonds", with appropriate additional or other series designations as approved by a District Representative.

As provided in Section 53552 of the Refunding Bond Law, a Series of Refunding Bonds shall not be issued unless the total net interest cost to maturity on such Series of Refunding Bonds plus the principal amount of such Series of Refunding Bonds is less than the total net interest cost to maturity on the Refunded 2020 Bonds to be purchased from the proceeds thereof plus the principal amount of such Refunded 2020 Bonds. Before issuing a Series of Refunding Bonds, the District shall receive written confirmation from the Municipal Advisor that the requirements of Section 53552 of the Refunding Bond Law have been satisfied with respect to such Series of Refunding Bonds.

Section 2.02. Terms of Refunding Bonds.

(a) Form of the Refunding Bonds. The Refunding Bonds shall be issued in the form of Current Interest Bonds or Capital Appreciation Bonds, or any combination thereof, as hereinafter set forth in this Section. For purposes of determining the principal amount of the Refunding Bonds which are issued hereunder, the principal amount of the Refunding Bonds which are issued in the form of Capital Appreciation Bonds shall be equal to the Denominational Amount thereof. As provided in the Refunding Bond Law, the final maturity of the Refunding Bonds shall be no later than the final maturity of the Refunded 2020 Bonds.

(b) Terms of Current Interest Bonds. Each Current Interest Bond shall be dated as of the Closing Date and shall be issued in fully registered form without coupons. The Current Interest Bonds shall mature on the dates and in the years, and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates of interest per annum, as set forth in the related Bond Purchase Agreement. Interest on the Current Interest Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (i) a Current Interest Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (ii) a Current Interest Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (iii) interest on any Current Interest Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full.

(c) Terms of Capital Appreciation Bonds. The Capital Appreciation Bonds shall be dated as of the Closing Date. The Capital Appreciation Bonds shall be issued in fully registered form without coupons, and the Maturity Values thereof shall be in denominations of \$5,000 or any integral multiple thereof (except that one Capital Appreciation Bond may be issued in a denomination the Maturity Value of which is not an integral multiple of \$5,000). The Capital Appreciation Bonds shall mature on the dates, in the years and at the Maturity Values as set forth in the related Bond Purchase Agreement, and interest thereon shall compound on each Compounding Date at the respective Accretion Rates (calculated on the basis of a 360-day year comprised of twelve 30-day months) as set forth in the related Bond Purchase Agreement.

The Accreted Value of the Capital Appreciation Bonds shall be payable solely at maturity or earlier redemption thereof to the Owners thereof upon presentation and surrender thereof at the Principal Office of the Paying Agent. The Accreted Value of the Capital Appreciation Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Office of the Paying Agent.

(d) Payment. Interest on the Current Interest Bonds (including the final interest payment upon maturity) is payable by check or draft of the Paying Agent mailed to the Owner thereof 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 Current Interest Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Current Interest Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. The principal of the Current Interest Bonds at maturity, and the Accreted Value of the Capital Appreciation Bonds at maturity, is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent. Notwithstanding the foregoing provisions of this subsection, so long as the Refunding Bonds are held in the book-entry system the provisions of Section 2.09 shall govern the procedures for payment of the Refunding Bonds, if and to the extent the provisions of this subsection are in conflict inconsistent with the provisions of Section 2.09.

Section 2.03. Redemption.

(a) Optional Redemption Dates and Prices. If and as specified in the related Bond Purchase Agreement, any Series of Refunding Bonds may be 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 the dates and at the redemption prices which are set forth in such Bond Purchase Agreement. The District shall give the Paying Agent written notice of its intention to redeem Refunding Bonds under this subsection, and the manner of selecting such Refunding Bonds for redemption from among the maturities thereof, at least 45 days prior to the date fixed for redemption.

(b) Mandatory Sinking Fund Redemption. If and as specified in the related Bond Purchase Agreement, any maturity of Refunding Bonds will be designated as "Term Bonds" which are subject to mandatory sinking fund redemption on the dates and in the years set forth in the Bond Purchase Agreement, 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 some but not all of the Term Bonds have been redeemed under the preceding subsection (a) of this Section, the aggregate principal amount of such Term Bonds to be redeemed in each year under this subsection will be reduced on a in integral multiples of \$5,000, as designated in written a Written Request of the District filed with the Paying Agent.

(c) Selection of Refunding Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds of the same maturity are designated for redemption, the Paying Agent shall select the Outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Current Interest Bond will be deemed to consist of individual bonds of \$5,000 denominations each which may be separately redeemed, and each Capital Appreciation Bond will be deemed to consist of individual bonds of \$5,000 Maturity Value, each which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be given at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books. The giving of such notice shall not be a condition precedent to such redemption and the failure to receive any such notice will not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent shall give notice of redemption to the Municipal Securities Rulemaking Board and each of the Securities Depositories at least two days prior to giving such notice to the Refunding Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Refunding Bonds of a Series are to be called for redemption, shall designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, and shall require that such Refunding 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 Refunding Bonds will not accrue from and after the redemption date. Any notice of optional redemption of the Refunding Bonds may state that it is conditional, in which case it shall make reference to the right of the District to rescind the notice as set forth in subsection (e) of this Section.

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

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, interest and Accreted Value of the Refunding Bonds so called for redemption have been duly provided, the Refunding Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue or compound thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Refunding Bonds redeemed under this Section and will furnish a certificate of cancellation to the District.

Notwithstanding the foregoing provisions of this subsection, so long as the Refunding Bonds are held in the book-entry system the provisions of Section 2.09 shall govern the procedures for giving notice of redemption of the Refunding Bonds, if and to the extent the provisions of this Section are in conflict inconsistent with the provisions of Section 2.09.

(e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Refunding Bonds under subsection (a) of this Section by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Refunding Bonds then called for redemption. The District and the Paying Agent shall have no liability to the Refunding Bond Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall give notice of such rescission of redemption to the respective Owners of the Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books, and also to the Securities Depositories and the Municipal Securities Rulemaking Board.

Section 2.04. Form of Refunding Bonds. The Current Interest Bonds, the Capital Appreciation Bonds, and 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 respective forms set forth in Appendix A attached hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution.

Section 2.05. Execution of Refunding Bonds. The Refunding Bonds shall be signed by the manual or facsimile signature of the President of the Board and shall be attested by the manual or facsimile signature of the Secretary or Clerk of the Board. Only those Refunding 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 shall be conclusive evidence that the Refunding Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Refunding Bonds. Any Refunding 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 Refunding 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 District may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Current Interest Bond is surrendered for transfer, the District shall execute and the Paying Agent will authenticate and deliver new Current Interest Bonds for like aggregate principal amount. Whenever any Capital Appreciation Bond is surrendered for transfer, the District shall execute and the Paying Agent will authenticate and deliver new Capital Appreciation Bonds for like aggregate Maturity Value. No transfer of Refunding Bonds is required to be made (a) during the period established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Section 2.07. Exchange of Refunding Bonds. The Current Interest Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Current Interest Bonds of authorized denominations and of the same maturity. The Capital Appreciation Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Capital Appreciation Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Refunding Bond issued upon any exchange (except in the case of any exchange of temporary Refunding Bonds for definitive Refunding Bonds). No exchange of Refunding Bonds is required to be made (a) during the period established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Section 2.08. Registration Books. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which will at all times be open to inspection by the District upon reasonable notice. Upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer the ownership of the Refunding Bonds on the Registration Books.

Section 2.09. Book-Entry System. Except as provided below, DTC shall be the Owner of all of the Refunding Bonds, and the Refunding Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Refunding Bonds shall be initially executed and delivered in the form of a single fully registered Refunding Bond for each maturity of the Refunding Bonds bearing interest at the same rate, in the full aggregate principal amount of such Refunding Bonds. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Refunding Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect

of the principal or interest with respect to the Refunding Bonds. The District shall cause to be paid all principal and interest with respect to the Refunding Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Refunding Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Refunding Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Refunding Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Refunding Bonds. In such event, the District shall issue, transfer and exchange Refunding Bonds as requested by DTC and any other owners in appropriate amounts.

DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Refunding Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Refunding Bonds evidencing the Refunding Bonds to any Depository System Participant having Refunding Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

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

ARTICLE III

SALE OF REFUNDING BONDS; APPLICATION OF PROCEEDS; APPROVAL OF DOCUMENTS AND ACTIONS RELATING TO 2020 BOND PURCHASE

Section 3.01. Sale of Refunding Bonds; Approval of Sale Documents.

(a) Negotiated Sale of Refunding Bonds. Pursuant to Section 53583 of the Bond Law, the Board hereby authorizes the negotiated sale of each Series of Refunding Bonds to Raymond James & Associates, Inc. Each Series of Refunding Bonds shall be sold pursuant to a Bond Purchase Agreement in substantially the form on file with the Clerk of the Board, with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement; provided that:

- (i) no Series of Refunding Bonds shall have a final maturity date later than the latest maturity date of the corresponding Refunded Bonds,
- (ii) the total net interest cost to maturity of each applicable Series of Refunding Bonds, plus the principal amount of such Series of Refunding Bonds, shall not be in excess of the total net interest cost to maturity of the applicable Refunded Bonds, plus the principal amount of such Refunded Bonds, and
- (iii) the Underwriter's discount (not including any original issue discount) shall not exceed 0.50% of the aggregate principal amount of the corresponding Series of Refunding Bonds.

The Board hereby authorizes a District Representative to execute and deliver the final form of each Bond Purchase Agreement in the name and on behalf of the District.

In accordance with Section 53555 of the Refunding Bond Law, the Board has determined to authorize the sale of the Refunding Bonds at a negotiated sale because (i) there is a need for flexibility in the timing of the sale of the Refunding Bonds and arranging for the purchase on the Closing Date of the 2020 Bonds which have been acquired pursuant to any Holder Purchase Agreement; (ii) a negotiated sale will allow for flexibility in timing aimed at maximizing the restructuring of the District's debt and achieving the maximum interest cost savings; (iii) the Underwriter is familiar with the financial and operating conditions of the District and the overall requirements of its financing plan, and (iv) a negotiated sale permits the Refunding Bonds to be sold on an expedited time schedule to maximize savings.

(b) Official Statement. The Board hereby approves, and hereby deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the initial Series of Refunding Bonds, in substantially the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating the Board's determination that said Preliminary Official Statement has been deemed final within the meaning of such Rule. A District Representative is hereby authorized and directed to approve any changes in or additions to a final form of Official Statement, and the execution thereof by a District

Representative shall be conclusive evidence of the approval of any such changes and additions. The Board hereby authorizes the distribution of the Official Statement by the Underwriter. A District Representative shall execute the final Official Statement in the name and on behalf of the District.

For subsequent Series of Refunding Bonds, if any, the preparation of a Preliminary Official Statement with respect to each such subsequent Series of Refunding Bonds similar in form and content to the Preliminary Official Statement approved herein with such updates as shall be deemed necessary and approved by a District Representative, is hereby authorized and approved. The certification of its finality within the meaning of Rule 15c2-12 by a District Representative and its use in connection with the offering and sale of each such subsequent Series of Refunding Bonds, is also hereby authorized. The Board hereby authorizes the distribution of an Official Statement relating to subsequent Series of Refunding Bonds by the Underwriter. A District Representative shall execute the final Official Statement in the name and on behalf of the District.

(c) Provisions of Bond Purchase Agreement to Control. The terms and conditions of the offering and the sale of each Series of Refunding Bonds shall be as specified in the related Bond Purchase Agreement. In the event of any inconsistency or conflict between the provisions of this Resolution and any Bond Purchase Agreement, the provisions of such Bond Purchase Agreement shall be controlling.

Section 3.02. Application of Proceeds of Sale of Refunding Bonds. The proceeds of sale of each Series of Refunding Bonds (which proceeds shall be net of amounts due and payable to the Underwriter or the Agent) shall be paid by the Underwriter on the Closing Date in accordance with a Written Request of the District, as follows:

- (a) The Underwriter shall transfer the amount of a portion of such proceeds to The Bank of New York Mellon Trust Company, N.A., as custodian under the agreement referred to in Section 3.04, to be applied to pay the Costs of Issuance of such Series of Refunding Bonds.
- (b) A portion of such proceeds shall be deposited in the Debt Service Fund established for such Series of Refunding Bonds and applied to pay interest coming due and payable on such Series of Refunding Bonds, in the event and to the extent set forth in such Written Request of the District.
- (c) The Underwriter shall transfer the remainder of such proceeds to the Prior Bond Paying Agent for the purpose of providing funds for the purchase of the Refunded Bonds in accordance with the related Holder Purchase Agreement.

Section 3.03. Approval of Agent Engagement Agreement. The Board hereby approves the engagement of the Agent pursuant to the Agent Engagement Agreement, in substantially the form on file with the Clerk of the Board together with any changes therein or additions thereto approved by a District Representative, whose execution thereof shall be conclusive evidence of approval to any such changes or additions; *provided, however*, that the fees of the Agent for negotiating the purchase of the 2020 Bonds shall not exceed \$10.00 for each \$1,000 of principal amount of the Current Interest Bonds purchased by

the District and \$10.00 for each \$1,000 of Maturity Value of the Capital Appreciation Bonds that are purchased by the District.

Section 3.04. Approval of Holder Purchase Agreement. The Board hereby approves the purchase of the 2020 Bonds pursuant to one or more Holder Purchase Agreements in substantially the form on file with the Clerk of the Board together with any changes therein or additions thereto approved by a District Representative, whose execution thereof shall be conclusive evidence of approval to any such changes or additions. Each Holder Purchase Agreement shall be executed in the name and on behalf of the District by a District Representative, each of whom is hereby authorized and directed to execute and deliver the final form of the Holder Purchase Agreement on behalf of the District.

Section 3.05. Costs of Issuance Custodian Agreement. In order to provide for the payment of the Costs of Issuance of any Series of Refunding Bonds, the Board hereby authorizes a District Representative to enter into a Costs of Issuance Custodian Agreement relating to such Refunding Bonds with The Bank of New York Mellon Trust Company, N.A. in the form on file with the Clerk of the Board. The Board hereby authorizes a District Representative to approve the final form of said Costs of Issuance Custodian Agreement and to execute and deliver said agreement in the name and on behalf of the District. Pursuant to Section 3.02(a), a portion of the proceeds of sale of any Series of Refunding Bonds shall be deposited with said custodian and shall be applied thereunder to the payment of Costs of Issuance of such Series of Refunding Bonds in accordance with written requisitions to be submitted by a District Representative in accordance with said agreement.

Section 3.06. Professional Services. The firm of Jones Hall, A Professional Law Corporation, has previously been engaged to act as the bond counsel and disclosure counsel, and the firm of Isom Advisors, a Division of Urban Futures, Inc. has previously been engaged to act as the Municipal Advisor. As provided in Section 2.03, the Agent shall be engaged pursuant to the Agent Engagement Agreement. Such engagements are hereby affirmed including pursuant to addendums of service agreements relating to purchase and refunding described herein and on file with the Superintendent. The estimated Costs of Issuance associated with the issuance of the Refunding Bonds are set forth in Appendix B hereto.

Section 3.07. Actions Relating to Purchase and to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful purchase and cancellation of the Refunded Bonds and the issuance, sale and delivery of each Series of Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

ARTICLE IV

SECURITY FOR THE REFUNDING BONDS; PAYMENT OF DEBT SERVICE

Section 4.01. Security for the Refunding Bonds. The Refunding Bonds are general obligations of the District, and the Board has the power to direct the County 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 Refunding Bonds and the interest and redemption premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Education Code. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Current Interest Bonds and the Accreted Value of the Capital Appreciation Bonds when due, including the principal amount of the Term Bonds upon the mandatory sinking fund redemption thereof, which moneys when collected will be placed in the applicable Debt Service Fund.

The principal of and interest on Current Interest Bonds and the Accreted Value of the Capital Appreciation Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions other than the District, nor any of the officers, agents or employees thereof, are liable on the Refunding Bonds. In no event are the principal of and interest on the Current Interest Bonds or the Accreted Value of the Capital Appreciation Bonds payable out of any funds or properties of the District other than *ad valorem* taxes levied on taxable property in the District. The Refunding Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code.

The District will supply the County Auditor-Controller with the necessary information regarding the scheduled debt service for the Refunding Bonds, so that the County may, on a timely basis, levy *ad valorem* taxes, as provided in Section 15250 of the Education Code, to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, including the principal of any Term Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), in conformity with the terms of the Refunding Bonds and of this Resolution.

Section 4.02. Establishment of Debt Service Funds. The County Controller shall create and maintain while the Refunding Bonds are Outstanding an interest and sinking fund for each Series of the Refunding Bonds. The Debt Service Fund for each Series of Refunding Bonds shall be maintained by the County Treasurer as a separate account, distinct from all other funds of the District. The County Treasurer shall deposit or cause to be deposited into the Debt Service Fund for each Series of Refunding Bonds any premium received by the County Treasurer on the sale of such Series of Refunding Bonds under Section 3.02(a), and the proceeds of taxes levied under Section 4.01.

Section 4.03. Disbursements From Debt Service Funds. The County shall administer each Debt Service Fund and make disbursements therefrom in the manner set forth in this Section. Amounts on deposit in the Debt Service Fund for any Series of Refunding Bonds, to the extent needed to pay the principal of and interest on the related Current Interest Bonds when due and the Accreted Value of the related Capital

Appreciation Bonds when due, shall be transferred by the County Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to make such payments on such Series of Refunding Bonds. DTC will thereupon make payments of principal and interest on the related Current Interest Bonds and payments of Accreted Value on the related Capital Appreciation Bonds to the DTC Participants who will thereupon make payments to the beneficial owners of the related Series of Refunding Bonds. As provided in Section 15232 of the Education Code, amounts in a Debt Service Fund shall also be applied to pay the expense of paying the related Series of Refunding Bonds elsewhere than at the office of the County Treasurer.

Any moneys remaining in a Debt Service Fund after the related Series of Refunding Bonds and the interest thereon have been paid, shall be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, shall be transferred to the District's general fund upon the order of the County, as provided in Section 15234 of the Education Code.

Section 4.04. Pledge of Taxes. The District hereby pledges all revenues from the *ad valorem* property taxes collected from the levy by the Board of Supervisors of the County for the payment of a Series of Refunding Bonds, and all amounts on deposit in the related Debt Service Fund, to the payment of the principal of and interest on such Series of Refunding Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Refunding Bonds and successors thereto. The property taxes and amounts held in the related Debt Service Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund to secure the payment of the Refunding Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. This pledge constitutes an agreement between the District and owners of the Refunding Bonds to provide security for the Refunding Bonds in addition to any statutory lien that may exist.

Section 4.05. Investments. All moneys held in any of the funds or accounts established with the County hereunder shall be invested by the County Treasurer in accordance with the investment policies of the County, as such policies exist at the time of investment. 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. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as

described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The Board will direct the County to 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 Current Interest Bonds and the Accreted Value of the Capital Appreciation Bonds, in conformity with the terms of the Refunding 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 5.02. Books and Accounts; Financial Statements. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

Section 5.03. Protection of Security and Rights of Refunding Bond Owners. The District will preserve and protect the security of the Refunding Bonds and the rights of the Refunding Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Refunding Bonds by the District, the Refunding Bonds shall be incontestable by the District.

Section 5.04. Tax Covenants. It is intended that interest on the Refunding Bonds shall be issued as federally tax-exempt obligations under the Tax Code. However, all or a portion of the Refunding Bonds may be issued on a federally taxable basis in the event and to the extent required under the Tax Code in the opinion of Bond Counsel. The following provisions of this Section shall apply to those Refunding Bonds which are issued on a federally tax-exempt basis.

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Refunding Bonds are not so used as to cause the Refunding Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of

the Refunding Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the Owners of the Refunding Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Refunding Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Refunding Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Refunding Bonds, records of the determinations made under this subsection. In order to provide for the administration of this subsection, the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District deems appropriate.

Section 5.05. CDIAC Annual Reporting. The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855(k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution to the contrary, failure of the District to comply with said reporting shall not constitute a default by the District hereunder or under the Refunding Bonds.

Section 5.06. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate with respect to each Series of Refunding Bonds, which shall be executed by a District Representative and delivered on the Closing Date for such Series of Refunding Bonds. Notwithstanding any other provision of this Resolution, failure of the District to comply with any Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the related Series of Refunding Bonds; however, any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any holder or beneficial owner of such Series of Refunding Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.07. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be

reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Paying Agent for each Series of Refunding Bonds and, in such capacity, shall also act as registration agent and authentication agent for such Series of Refunding Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Board hereby approves the execution and delivery of one or more Paying Agent Agreements between the District and the Paying Agent. A District Representative is hereby authorized and directed to execute the final form of each such Paying Agent Agreement on behalf of the District. In the event of any inconsistency or conflict between the provisions of this Resolution and the provisions of any such Paying Agent Agreement, the provisions of such Paying Agent Agreement shall be controlling.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Bonds. The Paying Agent may become the owner of any of any Refunding Bonds in its own or any other capacity with the same rights it would have if it were not the Paying Agent.

Section 6.03. Liability of Paying Agent. The recitals of facts, covenants and agreements in this Resolution and in the Refunding Bonds constitute statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable

in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent is not responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04. Notice to Paying Agent. The Paying Agent may rely and is protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed in this Resolution) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation; Indemnification. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify the Paying Agent against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF REFUNDING BOND OWNERS

Section 7.01. Remedies of Refunding Bond Owners. Any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding 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 and in the Refunding 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 Refunding Bond Owners' rights; or
- (c) upon the happening and continuation of any default by the District hereunder or under the Refunding Bonds, 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 7.02. Remedies Not Exclusive. No remedy herein conferred upon the Owners of the Refunding Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.

Section 7.02. Non-Waiver. Nothing in this Article or in any other provision of this Resolution or in the Refunding Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Refunding Bonds to the respective Owners of the Refunding Bonds at the respective dates of maturity, as herein provided, or affects or impairs 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 Refunding Bonds.

A waiver of any default by any Refunding 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 Refunding 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 Refunding Bond Owners by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Refunding Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Refunding Bond Owners, the District and the Refunding 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 VIII

AMENDMENT OF THIS RESOLUTION

Section 8.01. Amendments Effective Without Consent of the Owners. The Board may amend this Resolution from time to time, without the consent of any of the Owners of the Refunding Bonds, for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) to confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution; or
- (c) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, in a manner which does not materially adversely affect the interests of the Refunding Bond Owners in the opinion of Bond Counsel filed with the District.

Section 8.02. Amendments Effective With Consent of the Owners. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds which are Outstanding at the time such consent is given.

Any of the following amendments of this Resolution may be made only with the prior written consent of the Owners of all Outstanding Refunding Bonds: (a) a change in the terms of maturity of the principal of any Outstanding Refunding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, (c) a change in the provisions of Section 7.01 relating to Events of Default, or (d) a reduction in the amount of moneys pledged for the repayment of the Refunding Bonds. No amendment may be made to the rights or obligations of any Paying Agent without its written consent.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the Refunding Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Refunding Bonds.

Section 9.02. Defeasance of Refunding Bonds.

(a) Discharge of Resolution. The Refunding 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 Refunding 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 9.02(c) hereof) to pay such Refunding Bonds; or
- (iii) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Refunding 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 Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under 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 9.02(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 or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Refunding Bonds. Upon the deposit, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding 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 Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent 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 Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; 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 or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent for the payment of the principal or redemption price of, or interest on, any Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding 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 two years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) give to the Owners of all Refunding 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 Paying Agent, with respect to the Refunding 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 9.03. Application of Provisions to Capital Appreciation Bonds. Whenever in this Resolution reference is made to the payment of the principal of and interest on the Refunding Bonds, such reference includes payment of the Accreted Value and Maturity Value of the Capital Appreciation Bonds, unless otherwise required by the

context or by the express provisions of such reference. Whenever in this Resolution any reference is made to the rights of the Owners of the Refunding Bonds as measured by the principal amount of such Refunding Bonds, the principal amount of the Capital Appreciation Bonds shall be deemed to be the Accreted Value thereof as of the date of exercise of such rights. Notwithstanding the foregoing, for purposes of determining the outstanding principal amount of the Refunding Bonds for purposes of any statutory or constitutional limitation on the principal amount of bonds which may be issued and outstanding by the District as any time, the principal amount of the Capital Appreciation Bonds shall be deemed to be the Denominational Amount thereof.

Section 9.04. Execution of Documents and Proof of Ownership by Refunding Bond Owners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by the Refunding Bond Owners may be in one or more instruments of similar tenor, and shall be executed by the Refunding 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 Refunding 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 registered 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 Refunding Bond shall bind all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

Section 9.05. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Refunding Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.06. Non-Liability of County; Indemnification. Notwithstanding anything stated to the contrary in this Resolution, the Refunding Bonds are not a debt of the County, including its Board of Supervisors, officers, officials, agents and employees, and the County, including its Board of Supervisors, officers, officials, agents and employees, has no obligation to repay the Refunding Bonds. Neither the County, nor its Board of Supervisors, nor any officer, official, agent or employee of the County, shall have any obligation or liability hereunder or in connection with the transactions contemplated hereby other than as specified in the Education Code. The Refunding Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code. The County has no responsibility and assume no liability

whatsoever arising from the expenditure of the proceeds of the Refunding Bonds by the District.

The County (including its officers, 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 default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 9.07. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Refunding 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 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 Refunding Bonds therein referred to.

Section 9.08. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District 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 Refunding 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 the chief financial officer of the District in trust for the benefit of the Refunding Bond Owners.

Section 9.09. Electronic Signatures; DocuSign. The Board of Education hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 9.10. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Hillsborough City School District of San Mateo County, being the Board authorized by law to make the designations therein contained by the following vote, on February 15, 2023.

Adopted by the following votes:

AYES: An Huang Chen, Kim Oliff, Greg Dannis, Gilbert Wai, Don Geddis

NOES:

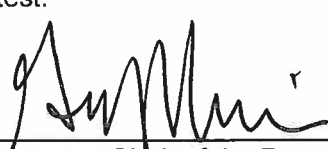
ABSENT:

ABSTAIN:



President of the Board

Attest:



Clerk of the Board

APPENDIX A

FORM OF CURRENT INTEREST BOND

REGISTERED BOND NO. _____

\$ _____

HILLSBOROUGH CITY SCHOOL DISTRICT

(San Mateo County, California)

20__ REFUNDING GENERAL OBLIGATION BOND

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The HILLSBOROUGH CITY SCHOOL DISTRICT (the "District"), located in San Mateo County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on _____ and _____ of each year, commencing _____, 20__ (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before _____, 20__, in which event it will bear interest from the Dated Date set forth above.

The principal of and interest on this Bond are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. The principal hereof is payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by

wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request.

This Bond is one of a series of \$_____ of Bonds issued for the purpose of raising money to refinance outstanding general obligation bond indebtedness of the District. The Bonds are authorized to be issued in the form of current interest bonds (the "Current Interest Bonds") and in the form of capital appreciation bonds; this Bond constitutes a Current Interest Bond. The Bonds have been issued under a Resolution of the Board of Trustees of the District adopted on February 15, 2023 (the "Bond Resolution") and issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California as in effect on the date of adoption hereof and as amended hereafter (the "Bond Law"). Reference is hereby made to the Bond Resolution (copies of which are on file at the office of the Paying Agent) and the Refunding 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 Bond Resolution) are general obligations of the District. 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 which is subject to taxation for payment of the Bonds. The Bonds do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the principal of or interest on the Bonds.

This Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions (other than the District), or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions (other than the District), nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Current Interest Bonds are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Current Interest Bonds of other authorized denominations at the 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 Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District 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 nor the Paying Agent shall be affected by any notice to the contrary.

The Current Interest Bonds maturing on or before _____, 20__ are not subject to redemption prior to their respective stated maturities. The Current Interest Bonds maturing on or after _____, 20__ are subject to redemption prior to maturity

as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on _____, 20__ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Current Interest Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[if applicable:] The Current Interest Bonds maturing on _____ in each of the years ____ and ____ are Term Bonds which are subject to mandatory sinking fund redemption on _____ in each of the years and in the respective principal amounts as set forth in the following tables, 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 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 will be reduced on a pro rata basis in integral multiples of \$5,000, as designated in a Written Request of the District filed with the Paying Agent.

Notice of redemption will be given by mail to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date. Neither the failure to receive such notice nor any defect in any notice so mailed will affect the sufficiency of the proceedings for the redemption of such Bonds.

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

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

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent for registration of transfer, exchange, or payment, and any Bond 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 in this Bond.

IN WITNESS WHEREOF, the Hillsborough City School District has caused this
Bond to be executed by the facsimile signature of the President of its Board of Trustees,
and attested by the facsimile signature of the Secretary of its Board of Trustees, all as of
the date stated above.

HILLSBOROUGH CITY SCHOOL DISTRICT

By _____
President
Board of Trustees

Attest:

Secretary
Board of Trustees

FORM OF CAPITAL APPRECIATION BOND

REGISTERED BOND NO. _____

\$ _____

HILLSBOROUGH CITY SCHOOL DISTRICT

(San Mateo County, California)

20__ REFUNDING GENERAL OBLIGATION BOND

ACCRETION RATE:

MATURITY DATE:

ISSUE DATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

MATURITY VALUE:

The HILLSBOROUGH CITY SCHOOL DISTRICT (the "District"), located in San Mateo County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value stated above on the Maturity Date stated above. The Accreted Value (as such term is defined in the within-mentioned Resolution) of this Bond as of any date will be determined in accordance with the Table of Accreted Values set forth hereon, representing the principal amount per \$5,000 of Maturity Value together with interest thereon from the Dated Date stated above, compounded semiannually on _____ and _____ of each year, commencing _____, 20__ (each, a "Compounding Date"), on the basis of a 360-day year comprised of twelve 30-day months, at a rate equal to the Accretion Rate per annum set forth above. The Accreted Value hereof is payable upon presentation and surrender of this Bond at the corporate trust office of the paying agent for the Bonds (the "Paying Agent"), initially The Bank of New York Mellon Trust Company, N.A. The Accreted Value hereof is payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent.

This Bond is one of a series of \$ _____ of Bonds issued for the purpose of raising money to refinance outstanding general obligation bond indebtedness of the District. The Bonds are authorized to be issued in the form of current interest bonds and in the form of capital appreciation bonds (the "Capital Appreciation Bonds"); this Bond constitutes a Capital Appreciation Bond. The Bonds have been issued under a Resolution of the Board of Trustees of the District adopted on February 15, 2023 (the "Bond Resolution") and issued under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California as in effect on the date of adoption hereof and as amended hereafter (the "Bond Law"). Reference is hereby

made to the Bond Resolution (copies of which are on file at the office of the Paying Agent) and the Refunding 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 accreted hereon and on all other Bonds and the interest thereon (to the extent set forth in the Bond Resolution) are general obligations of the District. 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 which is subject to taxation for payment of the Bonds. The Bonds do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the principal of or interest on the Bonds.

This Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions (other than the District), or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions (other than the District), nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Capital Appreciation Bonds are issuable only as fully registered Bonds in the maturity values of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Capital Appreciation Bonds of other authorized denominations at the 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 Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District 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 nor the Paying Agent shall be affected by any notice to the contrary.

The Capital Appreciation Bonds maturing on or before _____, 20__ are not subject to redemption prior to their respective stated maturities. The Capital Appreciation Bonds maturing on or after _____, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on _____, 20__ and on any date thereafter, at a redemption price equal to 100% of the Accreted Value of the Capital Appreciation Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

[if applicable:] The Capital Appreciation Bonds maturing on _____ in each of the years ____ and ____ are Term Bonds which are subject to mandatory sinking fund redemption on _____ in each of the years and in the respective principal amounts as set forth in the following tables, at a redemption price equal to 100% of the Accreted Value thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of the Term Bonds have been

redeemed under the preceding paragraph, the aggregate maturity value of Term Bonds to be redeemed under this paragraph will be reduced on a pro rata basis in integral multiples of \$5,000, as designated in a Written Request of the District filed with the Paying Agent.

Notice of redemption will be given by mail to the respective owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date. Neither the failure to receive such notice nor any defect in any notice so mailed will affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District 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 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a 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.

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

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

IN WITNESS WHEREOF, the Hillsborough City School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Trustees, and attested by the facsimile signature of the Secretary of its Board of Trustees, all as of the date stated above.

HILLSBOROUGH CITY SCHOOL DISTRICT

By _____
President
Board of Trustees

Attest:

Secretary
Board of Trustees

**FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON ALL BONDS**

This Bond is one of the Bonds described in the Bond Resolution referred to in this Bond.

Date of Authentication:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
*as Paying Agent***

By _____
Authorized Signatory

FORM OF ASSIGNMENT TO APPEAR ON ALL BONDS

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 Bond
Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an
eligible guarantor institution.

Note: The signature(s) 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.

APPENDIX B

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1*

1. True Interest Cost of the Refunding Bonds (Estimated): 3.885%
2. Finance charge of the Refunding Bonds, being the sum of all fees and charges paid to third parties (costs of Issuance of \$325,000 plus estimated underwriter's compensation of \$212,760) (Estimated): \$537,760.
3. Proceeds of the Refunding Bonds expected to be received by District for refunding deposits, net of proceeds for Costs of Issuance in (2) above and the fee due to the Agent of \$415,982 to paid from the principal amount of the Refunding Bonds: Estimated: \$41,600,000.
4. Total Payment Amount for the Refunding Bonds, being the sum of (a) debt service to be paid on the Refunding Bonds to final maturity, plus (b) any financing costs not paid from proceeds of the Refunding Bonds (Estimated): \$77,854,828.

**All amounts and percentages are estimates, and are made in good faith by the District based on information provided by the Municipal Advisor and the Underwriter as of the adoption of this Resolution. The estimates assume the purchase of certain maturities of the 2020 Bonds and the issuance of the Refunding Bonds in multiple series. Results are subject to market fluctuations. For purposes of the above estimates, a principal amount of approximately \$42.5 million has been assumed.*