

**BOARD OF TRUSTEES
MILLBRAE SCHOOL DISTRICT
COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

RESOLUTION NO. 17-18-04

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,400,000; APPROVING FORMS AND AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, AN ESCROW AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A BOND PURCHASE AGREEMENT AND TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE GUIDELINES; AND DELEGATING TO THE DISTRICT OFFICERS AUTHORIZATION TO TAKE NECESSARY ACTIONS AND PREPARE, EXECUTE, AND DELIVER NECESSARY DOCUMENTS.

WHEREAS, this Board of Trustees (the "Board of Trustees") of the Millbrae School District, County of San Mateo, State of California (the "District"), has heretofore issued or caused to be issued \$10,339,527.25 aggregate principal amount of Millbrae School District 2011 General Obligation Bonds (Election of 2008, Series B-2) (Tax-Exempt Current Interest Bonds/Tax-Exempt Capital Appreciation Bonds), \$10,154,527.25 of which are outstanding (the "Outstanding Bonds"); and

WHEREAS, this Board of Trustees has determined, and does hereby declare, that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that all or a portion of the Outstanding Bonds now be refunded (such bonds to be refunded being collectively referred to herein as the "Prior Bonds"); and

WHEREAS, pursuant to 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 (the "Government Code") and other applicable law, and pursuant to the respective documents providing for the issuance of the Outstanding Bonds, the District is authorized to issue refunding bonds (the "Refunding Bonds") to refund the Prior Bonds, and to sell its Refunding Bonds on a negotiated sale basis to RBC Capital Markets, LLC (the "Underwriter"); and

WHEREAS, this Board of Trustees wishes to authorize the sale of the Refunding Bonds by negotiated sale to preserve flexibility and take advantage of changing market conditions; and

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

WHEREAS, The Bank of New York Mellon Trust Company, N.A. has been approved by the Treasurer-Tax Collector of the County (the "Treasurer-Tax Collector") to and will act as paying agent (the "Paying Agent") with respect to the Refunding Bonds, and as escrow agent (the "Escrow Agent") with respect to the Prior Bonds; and

WHEREAS, the District proposes to execute and deliver an Escrow Agreement with the Escrow Agent directing the creation of an escrow fund for the deposit of proceeds of the sale of the Refunding Bonds for the purpose of paying and redeeming the Prior Bonds; and

WHEREAS, the Board of Trustees recognizes that Senate Bill No. 222 (Chapter 78, Statutes of 2015), which provides for a statutory lien to secure repayment of general obligation bonds, was

passed by the legislature and approved by the Governor of the State of California and became effective January 1, 2016; and

WHEREAS, the pledge included in this Resolution to secure payment of the Bonds is intended to be a consensual agreement with the bondholders; and

WHEREAS, Senate Bill 1029 ("SB1029") was signed by the California Governor on September 12, 2016 and places additional responsibilities on any issuer of public debt, including adopting debt management policies that meet certain criteria; and

WHEREAS, the District represents that it is in compliance with SB1029 pre-issuance requirements, the Bonds will be issued in compliance with the adopted debt policy of the District and the District will comply with all post-issuance requirements of SB1029; and

WHEREAS, the District has reviewed its financing needs for the calendar year 2017 and does not anticipate the need to issue any more tax-exempt debt, other than the Refunding Bonds, within such calendar year; and

WHEREAS, there have been submitted and are on file with the Clerk of the Board of Trustees proposed forms of a Paying Agent Agreement, a Bond Purchase Agreement, an Official Statement, an Escrow Agreement, a Continuing Disclosure Certificate and Tax Compliance and Continuing Disclosure Compliance Guidelines, all with respect to the Refunding Bonds proposed to be issued and sold, and the Superintendent or the Chief Business Official of the District have examined or caused to be examined each document and have approved the forms thereof, and have recommended that this Board of Trustees approve and direct the completion, where appropriate, and the execution of such documents and the consummation of such financing; and

WHEREAS, this Board of Trustees desires that the Treasurer-Tax Collector should collect a tax on all taxable property within the District sufficient to provide for payment of the Refunding Bonds, and intends by the adoption of this Resolution to notify the Board of Supervisors of the County (the "Board of Supervisors"), the Controller of the County (the "County Controller"), the Treasurer-Tax Collector, and other officials of the County, that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of the Refunding Bonds and such portion, if any, of the Outstanding Bonds as shall remain outstanding following the issuance of the Refunding Bonds; and

WHEREAS, this Board of Trustees desires to appoint the firm of Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District (the "Bond Counsel"), the firm of KNN Public Finance, LLC, as financial advisor to the District (the "Financial Advisor"), and the firm of RBC Capital Markets, LLC, as the Underwriter;

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

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

Section 2. Authorization of Refunding Bonds and of Redemption of Prior Bonds; Application of Proceeds of Sale. The Board of Trustees hereby authorizes the sale and issuance of one or more series of refunding bonds of the District and the designation of said bonds as the "Millbrae School

District 2017 General Obligation Refunding Bonds" in an aggregate principal amount not to exceed \$8,400,000, which amount shall be finally determined by the Superintendent or the Chief Business Official of the District, or such other officer of the District designated by the Superintendent or the Chief Business Official (each, an "Authorized District Representative"), in accordance with the provisions of Section 8 hereof and with the general laws of the State of California (the "State").

Proceeds from the sale of the Refunding Bonds are hereby authorized to be applied only as permitted by Article 9 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, including to acquire escrow securities or otherwise to pay or provide for payment of the principal of the Prior Bonds upon redemption thereof; to pay all expenses incident to the calling, retiring, or paying of the Prior Bonds, and to the issuance of the Refunding Bonds, including but not limited to: charges of the Paying Agent in connection with the issuance and payment of the Refunding Bonds; charges of the Escrow Agent in connection with the redemption of the Prior Bonds; interest upon the Prior Bonds from the date of sale of the Refunding Bonds to the maturity or earlier redemption date of the Prior Bonds; any premium payable upon the redemption of the Prior Bonds; and the costs of any bond insurance or other credit enhancement with respect to the Refunding Bonds. The Board of Trustees hereby further determines that all interest or other gain derived from the investment of proceeds of the Refunding Bonds may be applied to pay such costs of issuance of the Refunding Bonds.

Section 3. Terms of Refunding Bonds. The maximum annual interest rate on the Refunding Bonds shall be 8.0%, payable as described in the Paying Agent Agreement referred to in Section 5 hereof. The Refunding Bonds shall mature on a date or dates, in such of the years, beginning no earlier than July 1, 2018, and concluding no later than the final maturity of the Prior Bonds, as shall be specified in the Bond Purchase Agreement described in Section 8 hereof. No Refunding Bonds shall have principal maturing on more than one principal maturity date; however, it shall not be necessary that a portion of the principal mature in each year.

The Refunding Bonds shall be issued as current interest refunding bonds and may be issued as taxable or tax-exempt bonds. The aggregate principal amount of the Refunding Bonds shall not exceed \$8,400,000.

The aggregate principal amount of the Refunding Bonds, the date thereof, the maturity dates, the principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Bond Purchase Agreement.

Section 4. Bank Qualified. If the District reasonably anticipates the amount of qualified tax-exempt obligations which has been and will be issued by the District, or by any other entity on behalf of the District, in calendar year 2017 does not exceed \$10,000,000, the Authorized District Representative may designate the Refunding Bonds to be qualified tax-exempt obligations pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986 in the offering documents and in the Tax Certificate relating to the Refunding Bonds.

Section 5. Paying Agent Agreement. The form of instrument entitled "Paying Agent Agreement," by and between the District and The Bank of New York Mellon Trust Company, N.A., as Paying Agent, in substantially the form on file with the Clerk of the Board of Trustees, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by

the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Escrow Agreement. The form of instrument entitled "Escrow Agreement," by and between the District and the Escrow Agent, in substantially the form on file with the Clerk of the Board of Trustees, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Official Statement. The Official Statement relating to the Refunding Bonds, in substantially the form on file with the Clerk of the Board of Trustees (the "Official Statement"), is hereby approved as the Official Statement of the District with respect to the Refunding Bonds, with such changes, additions, and corrections as the Authorized District Representative may hereafter approve, and the Underwriter with respect to the Refunding Bonds is hereby authorized to distribute copies of one or more instruments in preliminary form to persons who may be interested in purchasing the Refunding Bonds. The Authorized District Representative is hereby authorized to certify to the Underwriter of the Refunding Bonds, on behalf of the District, that the preliminary form of the Official Statement was deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") (except for the omission of certain final pricing, rating, and related information as permitted by said Rule). The Authorized District Representative is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and to furnish to the Underwriter of the Refunding Bonds with copies thereof, and the Underwriter is hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Refunding Bonds.

Section 8. Bond Purchase Agreement. The form of instrument entitled "Bond Purchase Agreement," by and between the District and RBC Capital Markets, LLC, as Underwriter, in substantially the form on file with the Clerk of the Board of Trustees, is hereby approved and adopted as the contract for purchase and sale of the Refunding Bonds. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that: (i) the total net interest cost to maturity on the Refunding Bonds plus the aggregate principal amount of the Refunding Bonds shall not exceed the total net interest cost to maturity on the Prior Bonds plus the aggregate principal amount of the Prior Bonds; (ii) the Underwriter's discount shall not exceed 0.365% of the aggregate principal amount of the Refunding Bonds; and (iii) the Refunding Bonds shall otherwise conform to the limitations specified herein and imposed by the general laws of the State.

Section 9. Continuing Disclosure. The form of instrument entitled, "Continuing Disclosure Certificate," in substantially the form on file with the Clerk of the Board of Trustees, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed on behalf of the District to execute and deliver one or more instruments in substantially said form, with such changes thereto as deemed necessary in order to permit the Underwriter of the Refunding Bonds to comply

with the requirements of the Rule. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 10. Tax-Exempt Governmental Bonds Tax Compliance and Continuing Disclosure Compliance Guidelines. The form of instrument entitled "Tax-Exempt Governmental Bonds Tax Compliance and Continuing Disclosure Compliance Guidelines" (the "Compliance Guidelines"), in substantially the form submitted to this meeting, and made a part hereof as though set forth in full herein, is hereby approved. The Authorized District Representative is hereby authorized to make any changes therein as the Authorized District Representative may require. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Compliance Guidelines.

Section 11. Request for Necessary County Actions. (a) The Board of Supervisors, the County Controller, the Treasurer-Tax Collector, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Refunding Bonds as the same shall become due and payable, and to apply moneys in the District's Interest and Sinking Fund as necessary to the payment of the Refunding Bonds, pursuant to the Paying Agent Agreement as finally executed, and to the payment of any Outstanding Bonds of the District which are to remain outstanding, pursuant to the documents under which such Outstanding Bonds were issued. The Clerk of the Board of Trustees is hereby authorized and directed to deliver certified copies of this Resolution to the Secretary of the Board of Supervisors, the County Controller, and the Treasurer-Tax Collector. The Board of Trustees hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

(b) The Board of Supervisors, the County Controller, the Treasurer-Tax Collector, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary, upon, but only upon, the issuance of the Refunding Bonds, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Prior Bonds, pursuant to Section 53561 of the Government Code.

Section 12. Notice of Redemption of Prior Bonds. The Escrow Agent is hereby authorized and directed to give notice of redemption of the Prior Bonds to be redeemed on the date and in the manner set forth in the Escrow Agreement and pursuant to the terms set forth in the documents governing the redemption of the Prior Bonds.

Section 13. Pledge of Tax Revenues. The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors for the payment of the Refunding Bonds and the outstanding bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof (for the purpose of this pledge, hereinafter collectively referred to as the "District Bonds") and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the District Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District 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 of the District to secure the payment of the District 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.

The pledge is an agreement between the District and the bondholders to provide security for the Refunding Bonds in addition to any statutory lien that may exist, and the Refunding Bonds and each of the other District Bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

Section 14. Appointment of Bond Counsel, Financial Advisor and Underwriter. The firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel to the District in connection with the Refunding Bonds. The firm of KNN Public Finance, LLC, is hereby appointed Financial Advisor to the District in connection with the Refunding Bonds. The firm of RBC Capital Markets, LLC, is hereby appointed as Underwriter in connection with the Refunding Bonds.

Section 15. Authorization of Further Actions. (a) The Financial Advisor, Bond Counsel, and the appropriate District officials are each hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith.

(b) The officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. The President of the Board of Trustees, the Clerk of the Board of Trustees, the Superintendent of the District, the Chief Business Official of the District, the Secretary of the Board of Trustees and any other officer or employee of the District to whom authority is delegated by one of the above named officers for the purposes of the Refunding Bonds, are hereby authorized and directed to provide for the purchase of escrow securities, to engage certified public accountants to verify the sufficiency of the funds deposited in escrow, to execute and deliver any and all notices, certificates and representations, including but not limited to signature certificates, no-litigation certificates, tax certificates, certificates relating to continuing disclosure obligations, notices to the California Debt and Investment Advisory Commission, and certificates concerning the Official Statement describing the Refunding Bonds, and to enter into such agreements or contracts, including, but not limited to, as may be necessary to obtain bond insurance with respect to the Refunding Bonds, paying agent services with respect to the Refunding Bonds, verification agent services with respect to the Prior Bonds, or escrow agent services with respect to the Prior Bonds, as such officers or employees deem necessary and desirable to accomplish the purposes of this Resolution.

Section 16. Ratification of Actions. All actions heretofore taken by the officers and agents of the District with respect to the sale, execution, and delivery of the Refunding Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed, and ratified.

Section 17. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 3rd day of October, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Trustees
of the Millbrae School District

ATTEST:

Clerk of the Board of Trustees
of the Millbrae School District

CLERK'S CERTIFICATE

I, Lynne Ferrario, Clerk of the Board of Trustees of the Millbrae School District, County of San Mateo, California, do hereby certify as follows:

The attached is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on October 3, 2017, and entered in the minutes thereof, at which meeting all of the members of said Board of Trustees had due notice and at which a quorum was present, and said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 555 Richmond Drive, Millbrae, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

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

WITNESS my hand this 3rd day of October, 2017.

Clerk of the Board of Trustees
of the Millbrae School District