SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT BOARD AGENDA
REGULAR MEETING
November 8, 2006
District Board Room
3401 CSM Drive, San Mateo

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

The Board welcomes public discussion.

- *The public's comments on agenda items will be taken at the time the item is discussed by the Board.*
- *To comment on items not on the agenda, a member of the public may address the Board under "Statements from the Public on Non-Agenda Items"; at this time, there can be discussion on any matter related to the Colleges or the District, except for personnel items. No more than 20 minutes will be allocated for this section of the agenda. No Board response will be made nor is Board action permitted on matters presented under this agenda topic.*
- *If a member of the public wishes to present a proposal to be included on a future Board agenda, arrangements need to be made through the Chancellor's Office at least seven days in advance of the meeting. These matters will be heard under the agenda item "Presentations to the Board by Persons or Delegations." A member of the public may also write to the Board regarding District business; letters can be addressed to 3401 CSM Drive, San Mateo CA 94402.*
- *Persons with disabilities who require auxiliary aids or services will be provided such aids with a three-day notice. For further information, contact the Executive Assistant to the Board at (650) 574-6550.*
- *Regular Board meetings are taped; tapes are kept for one month.*

6:00 p.m. ROLL CALL

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

MINUTES

06-11-1 Minutes of the Regular Meeting of the Board of Trustees of October 25, 2006

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

UNFINISHED BUSINESS

06-10-105B Approval of Agreement with Rockridge Partners, Inc. for Management Services for Insurance Instructor Training Initiative (amended 11/8/06)

NEW BUSINESS

06-11-1A Approval of personnel actions: changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel

06-11-1B Adoption of District Academic Calendar, 2007-08

06-11-100B Adoption of Resolution No. 06-18 of the San Mateo County Community College District Authorizing the Issuance and Sale of San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B, in the Aggregate Principal Amount of Not to Exceed $332,570,605.40

06-11-101B Adoption of Resolution No. 06-19 of the San Mateo County Community College District Authorizing Use of Design-Build Delivery Method

06-11-102B Approval of Construction Consultants for Design-Build Bridging Documents

INFORMATION REPORTS

06-11-1C District Financial Summary for the Quarter Ending September 30, 2006

06-11-2C Information Report on New Payroll System

STATEMENTS FROM BOARD MEMBERS

COMMUNICATIONS

RECESS TO CLOSED SESSION

1. Closed Session Personnel Items
   - A. Public Employment
     1. Employment: **College of San Mateo** – Utility Engineer, Facilities Planning and Operations Division
     2. Post-Retirement Contract: **Cañada College** – Instructor, Business &Social Science Division
   - B. Public Employee Discipline, Dismissal, Release

CLOSED SESSION ACTIONS TAKEN

ADJOURNMENT

UNADOPTED MINUTES
October 25, 2006
San Mateo, California

The meeting was called to order at 6:10 p.m.

Board Members Present:	President Mandelkern, Vice President-Clerk Hausman, Trustees Holober (arrived late), Miljanich and Schwarz, and Student TrusteeYoung
Others Present:	Chancellor Galatolo, Skyline President Morrow, Cañada Interim President Mohr, CSM Vice President, Student Services Griffin (for President Kelly), and District Academic Senate President Kapp

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA
None

MINUTES
It was moved by Trustee Hausman and seconded by Trustee Schwarz to approve the minutes of the Study Session of the Board of September 11, 2006. The motion carried, all members voting "Aye."

It was moved by Trustee Miljanich and seconded by Trustee Schwarz to approve the minutes of the Regular Meeting of the Board of September 26, 2006. Trustee Schwarz requested amendment of the minutes as follows: page 2, under Approval of Consent Agenda, paragraph 2 to read, "Trustee Schwarz asked that Board Report No. 06-9-3CA be set aside for separate discussion. Trustee Hausman asked that Board Report No. 06-9-6CA be set aside for separate discussion;" under Renewal of Agreements with American Institute for Foreign Study (AIFS), paragraph 1 to read, "Trustee Schwarz inquired about the popularity of this program." The motion to approve the minutes as amended carried, all members voting "Aye."

It was moved by Trustee Miljanich and seconded by Trustee Hausman to approve the minutes of the Study Session of the Board of October 11, 2006. The motion carried, all members voting "Aye."

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS
None

STATEMENTS FROM EXECUTIVES
Executive Reports were presented by Chancellor Galatolo, Skyline President Morrow, CSM Vice President Griffin, Cañada Interim President Mohr, District Academic Senate President Kapp, and Cañada Associated Student President Kevin Chappell.

Chancellor Galatolo spoke about an article by Director of Bookstore Operations Tom Bauer on the District's textbook rental program, published in the "Colleges Services" journal. He emphasized the cost savings, explaining that from July 2005 through June 2006, students rented textbooks for approximately $58,000; if they had purchased the books, the cost would have been approximately $230,000. Trustee Hausman suggested that local press be notified that this article was published in a national journal. Chancellor Galatolo also described the potential to control the cost of textbooks through use of "e-books" which can be downloaded. Students may be able to save up to 35% when purchasing e-books and have ease of use with laptop computers.

In response to a question from Trustee Schwarz at the last Board meeting regarding the Gateway Program, President Morrow distributed a description of the program. It is a learning community, helping students with basic skills to help them be successful in college and in the workplace. The Gateway program has served as a model for other programs and has been recognized nationally. Trustee Schwarz asked if the program helps foster children who are transitioning out of the system; she was informed that this group of students has been a particular focus of the Walter S. Johnson Foundation, one of the program funders, and that the program does serve these students, among others.

As part of her report, Vice President Griffin noted that the Boston Globe ran an article about the Bulldogs football team. Chancellor Galatolo added that the team has had a very successful season thus far and that the goal is to play in a bowl game.

President Mohr commended Associated Students President Kevin Chappell and others in the Student Senate for working to increase student extracurricular activities.

District Academic Senate President Kapp reported that he and three others will attend the State Academic Senate planning session this coming weekend. He said that there are two meetings per year, and he will invite Board members to the next meeting that is held in the Bay Area. The State Academic Senate makes recommendations to the State Chancellor's office.

Cañada Associated Students President Kevin Chappell reported on recent and upcoming activities planned with the goal of bringing together various groups on campus, and promoting unity of students, staff and faculty. The ASCC sponsored a successful barbecue at which clubs set up tables. The Young Latino Leaders Club raised $5,000 at a recent fundraiser. At the September 4 ASCC retreat, goals were developed, including recognition of and awards to staff members selected by students; upgrading of campus security at night; organization of events on campus for the community; and outreach to local high schools.

Upcoming ASCC events include a Halloween contest; two food drives; United Nations Day on November 2; the allcollege meeting for strategic planning on November 8; encouragement of support for the athletic teams; a drive to obtain signatures for a ballot initiative regarding community college fee reduction; a candlelight vigil for domestic violence prevention; and an immigration forum.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS
None

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (06-10-2A)
It was moved by Trustee Miljanich and seconded by Trustee Hausman to approve the actions in Board Report No. 06-10-2A. The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 06-16 OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, INCREASING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT (06-10-3A)
It was moved by Trustee Holober and seconded by Trustee Miljanich to approve the adoption of Resolution No. 06-16. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA (06-10-1CA – 06-10-6CA)
It was moved by Trustee Miljanich and seconded by Trustee Schwarz to approve the Consent Agenda. The motion carried, all members voting "Aye."

ADOPTION OF RESOLUTION NO. 06-17 OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT ENDORSING THE CALIFORNIA EDGE CAMPAIGN (06-10-5B)

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve adoption of Resolution No. 06-17. The motion carried, all members voting "Aye."

APPROVAL OF REVISION TO DISTRICT RULES & REGULATIONS SECTION 2.27, POLICY ON SMOKING (06-10-6B)

It was moved by Trustee Holober and seconded by Trustee Schwarz to approve revision to District Rules & Regulations Section 2.27, Policy on Smoking. Trustee Holober asked why this revision was being proposed. President Morrow explained that at Skyline there had been some student and faculty complaints about certain locations on campus where non-smokers could not avoid passing through groups of smokers in order to access buildings. Approximately 18 months ago, the College Council began to investigate the issue and proposed designated smoking areas on campus as a potential solution to this problem. Trustee Miljanich asked how the smoking policy is enforced. President Morrow replied that enforcement has been informal, simply asking people to move to a non-smoking area. Adequate signage is also essential and helps with enforcement. Chancellor Galatolo added that if people are smoking near air intake vents the smoke can be sucked into the entire building. Trustee Miljanich suggested that, in recognition that it is difficult to break a smoking habit, stop smoking classes could be offered. In response to a question from Trustee Schwarz asking if there have been any problems with guests smoking on campus, President Morrow replied that she is not aware of any problems. President Mandelkern noted that President Morrow handled a recent difficult situation very well. District Academic Senate President Kapp added that the purpose of the revised policy is to allow decisions to be made at the campus level, tailored to the individual needs and situations of the colleges.

Following discussion, the motion to approve revision to District Rules & Regulations Section 2.27, Policy on Smoking carried, all members voting "Aye."

BID AWARD TO SONY ELECTRONICS FOR DIGITAL BETA CAM PLAYER-KCSM (06-10-102B)

It was moved by Trustee Miljanich and seconded by Trustee Schwarz to approve the bid award to Sony Electronics. The motion carried, all members voting "Aye."

AWARD OF CONTRACT FOR PURCHASE OF PORTABLE RESTROOM UNIT, SKYLINE COLLEGE (06-10-103B)

It was moved by Trustee Holober and seconded by Trustee Hausman to approve the award of contract for purchase of portable restroom unit. The motion carried, all members voting "Aye."

AUTHORIZATION TO ADJUST BOARD MEMBER COMPENSATION IN COMPLIANCE WITH LEGISLATION (06-10-104B)

It was moved by Trustee Hausman and seconded by Trustee Holober to authorize adjustment of Board member compensation. Chancellor Galatolo explained that SB 214 authorizes a 5% increase annually. In the past five years, Board compensation has increased 15%, while staff and faculty compensation has increased by just under 26%. Chancellor Galatolo recommended bringing this item to the Board every January for routine approval. President Mandelkern said that he personally does not want an increase and, if carried, will donate the amount of his increase to the Foundation. Trustee Hausman stated her opinion that compensation can be incentive to encourage people to declare candidacy for Board position openings. After discussion, the motion carried, 4-1, with President Mandelkern dissenting.

APPROVAL OF AGREEMENT WITH ROCKRIDGE PARTNERS, INC. FOR MANAGEAMENT SERVICES FOR INSURANCE INSTRUCTOR TRAINING INITIATIVE (06-10-105B)

It was moved by Trustee Holober and seconded by Trustee Hausman to approve the agreement with Rockridge Partners, Inc. as described in Board Report 06-10-105B. Trustee Hausman asked if insurance is a growing industry and said that it will be interesting to see if students want to take courses in the field. Vice President Griffin said that the program was designed at the request of the insurance industry because there are not enough people to fill entry level positions. Chancellor Galatolo noted that the Board acted at an earlier meeting to create this program.

President Mandelkern asked why this training initiative will use contract faculty rather than District faculty. District Academic Senate President Kapp said that it would be preferable to have the courses taught by District faculty if they are qualified. Due to the fact that CSM Vice President Mike Claire was not at the meeting (he was on an accreditation visit elsewhere in the state), no staff member could adequately answer that question. Chancellor Galatolo suggested that it is possible that the District might be acting as fiscal agent, simply passing resources through. Executive Director of Construction and Planning Services Rick Bennett provided written information to Chancellor Galatolo which suggested that the District does act as fiscal agent in this case. Presdient Mandelkern said that in these cases, the Board's role should be to determine if accepting the grants is beneficial to the District.

Trustee Hausman noted that since the terms of the agreement began in September, approval would be partly retroactive. Trustee Holober agreed, saying that if the Board does not approve the agreement, the program will not proceed. He added that in the future, the Board should get information ahead of time. Trustee Schwarz added that it is not a good idea to present reports without the appropriate people present to answer questions.

Trustee Holober moved to amend the motion to state that:

> *The Board approves current obligations under the contract with Rockridge Partners, Inc., for the period September 12 through November 8, 2006. The Board will be provided a comprehensive report at the November 8, 2006 Board meeting, and at that time will consider a motion to continue to meet future obligations.*

The amended motion was seconded by Trustee Miljanich. The motion carried, all members voting "Aye."

INFORMATION REPORTS

FINAL REPORT ON LEGISLATION-2006 (06-10-2C)

Director of Community and Government Relations Barbara Christensen told the Board that the report is a traditional year-end report and said the first page show bills of interest to our District. In response to a question from President Mandelkern regarding the meaning of "Chaptered," Director Christensen replied that this means the bill has been signed.

BOARD OF TRUSTEES SELF-EVALUATION (06-10-3C)

Trustee Hausman noted that overall, the Board's evaluation was very good, with most of the responses falling into the "meets expectations" or "exceeds expectations" categories. Trustee Holober suggested putting the self-evaluation on the agenda for the Board Retreat, particularly those items which the Board rated lower or in which there was a divergence of opinion. There was agreement from all members. Overall, the Board believes that it works well together. President Kapp added that he has observed the conduct of various Boards around the state, and appreciates how well this Board works together in comparison.

STATEMENTS FROM BOARD MEMBERS

Trustee Holober announced that Rose Guilbault was recently named to the Board of Governors of California Community Colleges and suggested that the Board meet with her. Chancellor Galatolo said that staff will work on setting up a meeting.

Trustee Hausman attended the College of San Mateo ice cream social, at which service awards were presented to employees with 10 through 40 years of service.

Trustee Schwarz attended a fundraiser for the theater department at Cañada College. She said that there will be a dessert reception in the Flex Theater on November 30 and December 1. Trustee Schwarz raised the issue of sending the board packet electronically. Discussion ensued regarding the advantages and disadvantages, and with Board members stating their preferences. Chancellor Galatolo said that he would like to have a broader discussion on this topic and he will advance options to the Board. He added that the delivery method does not need to be the same for everyone.

President Mandelkern reminded everyone present to vote on November 7. President Mandelkern also noted that the photograph on the cover of the College of San Mateo catalog is composed of seven females and one male; he wonders if this reflects reality.

COMMUNICATIONS
None

RECESS TO CLOSED SESSION
The Board recessed to Closed Session at 8:20 p.m.

The Board reconvened to Public Session at 9:58 p.m.

CLOSED SESSION ACTIONS TAKEN
President Mandelkern reported that, during the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 5-0 to approve the actions in Board Report No. 1-A and 1-B.

ADJOURNMENT
It was moved by Trustee Schwarz and seconded by Trustee Miljanich to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:59 p.m.

The next Regular Meeting of the Board will be November 8, 2006, beginning at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the October 25, 2006 meeting.

Helen Hausman
Vice President-Clerk

San Mateo County Community College District October 25, 2006

BOARD REPORT NO. 06-10-105B
AMENDED 11/8/06

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Michael Claire, Vice President of Instruction, College of San Mateo, 574-6404

APPROVAL OF AGREEMENT WITH ROCKRIDGE PARTNERS, INC.
FOR MANAGEMENT SERVICES FOR INSURANCE INSTRUCTOR TRAINING INITIATIVE

College of San Mateo is one of the first colleges in the State of California to participate in the California Insurance Careers Program (CA-ICP) which was recently launched to educate the workforce for the increasing numbers of entry-level positions being added to California's insurance industry. While instructor training has been a part of CA-ICP, the need arose to increase the capacity of this program by providing additional trained instructors who would be qualified to teach insurance courses in California community colleges. To meet this teacher training need, College of San Mateo was recently awarded a one-year Industry Driven Regional Collaborative (IDRC) Grant from the California Community Colleges Chancellor's Office for the Insurance Instructor Training Initiative (IITI). The purpose of the IITI is to expand upon the initial community college instructor training efforts incorporated in CA-ICP and provide teacher training and instructional support for a minimum of 30 additional community college instructors.

Rockridge Partners, Inc., has served as the project manager for the CA-ICP project and will provide coordination and management services for College of San Mateo's IDRC grant for the Insurance Instructor Training Initiative. These management services include the following:

- Subcontract and coordinate with the Insurance Education Association to offer insurance online training classes to a minimum of 30 community college instructors. This work involves readying distance learning systems for use by community college instructors, developing California Insurance Careers Program web-based links, preparing IEA support systems for follow up and mentoring of instructor training program participants.
- Consult with CA-ICP Insurance Industry Advisory Group to ensure that teacher training directly responds to current demand.
- Recruit community college instructors interested in teacher training program and becoming faculty for the CA-ICP.
- Coordinate with all partners of CA-ICP (community colleges, insurance professional groups, insurance industry).
- Enhance and refine the CA-ICP website.
- Develop web-based match and fiscal leverage reporting system for use by community colleges and their employer partners.
- Provide annual and events-based reports to the Chancellor's Office as required by Education Code Section 88500.
- Provide quarterly reports to the insurance industry distributed via the IEA and IBA West, documenting program progress and availability of college resources for employers.
- Provide industry media coverage of the IITI, providing statewide exposure to the initiative and the CA-ICP.
- Monitor all aspects of the work for this grant.

The District will pay Rockridge Partners, Inc., an amount not to exceed $235,572 for providing the services indicated above for the IDRC grant awarded to the San Mateo County Community College District, Grant #06-0326-28. The agreement is effective from September 12, 2006, through October 31, 2007.

This agreement will be fully funded by the grant described in this report.

RECOMMENDATION

It is recommended that the Board of Trustees approve the agreement with Rockridge Partners, Inc., for provision of coordination and management services for the period November 9, 2006, through October 31, 2007, for a grand total cost not to exceed $235,572.

San Mateo County Community College District November 8, 2006

BOARD REPORT NO. 06-11-1A

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Harry W. Joel, Vice-Chancellor,
Human Resources and Employee Relations, (650) 358-6767

APPROVAL OF PERSONNEL ACTIONS

Changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel:

A. Reassignment

District

1. Jennifer James Project Coordinator II Construction Planning Division

Reassignment from Buyer, effective October 24, 2006. The new department was Board approved on September 26, 2006.

Cañada College

1. Carmina Chavez CBET Program Services Coordinator Humanities Division

Reassignment from College Recruiter, effective November 6, 2006, replacing Jose Romero who was transferred to Academic Support Services Division.

B. Changes in Staff Allocation

College of San Mateo

1. Recommend creation of new classification, “Theatre Events Manager,” at Grade 30 of the Classified Salary Schedule 60 in Operations Division.

   The reclassification of one Theatre Technician/Events Coordinator (4C0288) to Theatre Events Manager was Board approved on October 25, 2006.

District

2. Recommend reclassification of “Director of General Services,” position 1A0008, from Grade CC of the Management Salary Schedule 20 to Grade BB of the same salary schedule effective October 24, 2006.

   This reclassification is the result of increased scope and level of responsibility.

B. Changes in Staff Allocation (continued)

3. Recommend reclassification of “Director of Maintenance & Operations,” position 1A0017, from Grade CC of the Management Salary Schedule 20 to Grade BB of the same salary schedule effective October 24, 2006.

   This reclassification is the result of increased scope and level of responsibility.

4. Recommend approval for creation of a new classification, “Director of Auxiliary Services,” at Grade BB of the Management Salary Schedule 20.

   Also, recommend an increase in staff allocation to add one full-time, twelve (12) month per year, Director of Auxiliary Services, reporting to Chief Financial Officer, effective October 24, 2006.

District

1. Recommend reclassification of two Account Clerk II positions in the Bookstores, 1C0134 and 1C0194, at Grade 20 of the Classified Salary Schedule 60, to Accounting Technician at Grade 24 of the Classified Salary Schedule 60. This reclassification is the result of increased scope and level of responsibility.

   It is also recommended that the incumbents, Laura Brugioni and Yi Dai, be placed at the new salary and title, effective July 1, 2006.

2. Recommend reclassification of one Senior Account Clerk position in the Bookstores, 1C0384, at Grade 22 of the Classified Salary Schedule 60, to Senior Accounting Technician at Grade 28 of the Classified Salary Schedule 60. This reclassification is the result of increased scope and level of responsibility.

   It is also recommended that the incumbent, Jackie Collado, be placed at the new salary and title, effective July 1, 2006.

District

1. Recommend change in staff allocation to eliminate the Lead Custodian position, 1C0155, at Grade CC of the Facilities Planning and Operations Salary Schedule 70, and create a Custodian position at Grade AA of the Facilities Planning and Operations Salary Schedule 70.

C. Leave of Absence

District

1. Yi Dai	Accounting Technician	Bookstores

Recommend approval of pregnancy disability leave of absence, effective October 30, 2006 pursuant to provisions of the Family and Medical Leave Act of California Rights Act. Pursuant to the District Policy, employee is entitled to a maximum of twelve (12) calendar months of leave.

D. Short-Term, Non-Continuing Assignments

The following is a list of requested classified short-term, non-continuing services that require Board approval prior to the employment of temporary individuals to perform these services, pursuant to Assembly Bill 500 and its revisions to Education Code 88003:

Location	*Division/Department*	*No. of Pos.*	*Start and End Date*		*Services to be performed*
Cañada	Humanities and Social Science Division	1	01/16/2007	05/22/2007	Accompanist: to play the piano to accompany Music 476 and 490 LX, Peninsula Cantare I & II.
District	ITS	1	11/09/2006	06/30/2007	Staff Assistant: to provide clerical support for ITS staff.

San Mateo County Community College District November 9, 2006

BOARD REPORT NO. 06-11-1B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Harry W. Joel, Vice Chancellor Human Resources & Employee Relations, 358-6767

ADOPTION OF DISTRICT ACADEMIC CALENDAR FOR 2007-2008

The District Academic Calendar addresses days of work for San Mateo County Community College District employees represented by AFT, CSEA, and AFSCME. Therefore it is subject to collective bargaining. The proposed calendar has been negotiated with AFT and reviewed by CSEA and AFSCME.

The proposed calendar (attached) is designed to begin the 2007-2008 academic year in late August with a completion of the Fall 2007 semester prior to the winter holidays. The following details the features of the calendar, as do the attached documents.

Fall 2007: Classes begin August 22, 2007
Eighty-six (86) instructional days including five (5) days of final examinations
Two (2) professional growth flex days
Semester ends December 15, 2006

Spring 2008: Classes begin January 22, 2008
Eighty-nine (89) instructional days including five (5) days of final examinations
Two (2) professional growth flex days
Semester ends June 2, 2008

Tentative Summer Session: June 16 through July 25, 2008 for the six-week session
June 16 through August 8, 2008 for the eight-week session

RECOMMENDATION

It is recommended that the Board adopt the 2007-2008 District Academic Calendar as detailed in this report.

SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT

Cañada College, Redwood City / College of San Mateo, San Mateo / Skyline College, San Bruno

Academic Calendar 2007-2008

FALL SEMESTER 2007 *(86 Instructional Days including 5 Final Days, plus 2 Flex Days)*

August	20,21	Flex Days (No Classes)
August	**22**	**Day and Evening Classes Begin**
September	5	Last Day to Drop Semester Length Classes With Eligibility for Partial Refund
September	5	Last Day to **Add** Semester Length Classes
September	1,2	Declared Recess
September	3	Labor Day (Holiday)
September	10	Census Day
September	14	Last Day to Drop Semester Length Classes Without Appearing on Record
October	5	Last Day to Apply for Degree – Certificate
November	9	Veterans' Day Observed (Holiday)
November	10-11	Declared Recess
November	20	Last Day to **Withdraw** from Semester Length Classes
November	21	Declared Recess – Evening Courses Only
November	22	Thanksgiving Day (Holiday)
November	23	Declared Holiday
November	24, 25	Declared Recess
December	15-21	Final Examinations (Day and Evening Classes)
December	21	Day and Evening Classes End
December	24 – January 1	Winter Recess (Total of Seven District Work Days)

SPRING SEMESTER 2008 *(89 Instructional Days including 5 Final Days, plus 2 Flex Days)*

January	17, 18	Flex Days (No Classes)
January	19, 20	Declared Recess
January	21	Martin Luther King Jr. Day (Holiday)
January	**22**	**Day and Evening Classes Begin**
February	4	Last Day to Drop Semester Length Classes With Eligibility for Partial Refund
February	4	Last Day to **Add** Semester Length Classes
February	11	Census Day
February	15	Last Day to Drop Semester Length Classes Without Appearing on Record
February	15	Lincoln's Birthday (Holiday)
February	16, 17	Declared Recess
February	18	Presidents' Day (Holiday)
March	7	Last Day to Apply for Degree – Certificate
March	17 - 23	Spring Recess
May	1	Last Day to **Withdraw** From Semester Length Classes
May	24, 25	Declared Recess
May	26	Memorial Day (Holiday)
May	27 June 2	Final Examinations (Day and Evening Classes)
June	2	Day and Evening Classes Close

TENTATIVE SUMMER SESSION 2008

June	16	Day & Evening Classes Begin
July	4	Independence Day Holiday)
July	26	Six Week Session Classes Close
August	9	Eight Week Session Classes Close

BOARD REPORT NO. 06-11-100B

Adoption of Resolution No. 06-18 of the San Mateo County Community College District Authorizing Issuance and Sale of San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B, in the Aggregate Principal Amount of Not to Exceed $332,570,605.40

There is no printed report for this agenda item.

42631-03 JH:CKL 10-18-06
10-30-06
11-2-06

RESOLUTION NO. 06-18

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT 2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $332,570,605.40

Adopted November 8, 2006

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SUPPLEMENTAL RESOLUTIONS

ARTICLE IX
MISCELLANEOUS

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT 2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $332,570,605.40

RESOLVED, by the Board of Trustees (the "Board") of the San Mateo County Community College District (the "District"), as follows:

WHEREAS, a special bond election was duly and regularly held in the San Mateo County Community College District (the "District") on November 8, 2005, under the procedures specified in Proposition 39 (Article XIII A Section 1, paragraph (b) of the California Constitution) ("Proposition 39") for the purpose of submitting the following measure to the qualified electors of the District (the "2005 Authorization"):

> To prepare College of San Mateo, Cañada College, and Skyline College students for universities and high demand jobs; upgrade nursing, health career, science, computer, and biotechnology labs; improve accessibility for disabled students; make earthquake safety improvements; repair/modernize libraries, classrooms, and aging facilities; and other projects in the Bond Projects List, shall San Mateo County Community College District be authorized to issue $468,000,000 in bonds at interest rates within legal limits and with oversight by a Citizens' Advisory Committee?

WHEREAS, more than fifty-five percent of the votes cast at said election were in favor of the issuance of the bonds; and

WHEREAS, Proposition 39 supplemented Chapter 1 of the Education Code (the "Education Code") by adding Chapter 1.5 thereto, commencing with Section 15264 of the Education Code; and

WHEREAS, the Board is authorized to provide for the issuance and sale of any series of bonds on behalf of the District under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the District previously issued its $135,429,394.60 San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series A; and

WHEREAS, the Board of Trustees of the District wishes at this time to institute proceedings for a second sale of bonds under the 2005 Authorization (the "Bonds" or the "Series B Bonds") in the aggregate principal amount of not-to-exceed $332,570,605.40 and the District will issue the Series B Bonds under the Bond Law; and

WHEREAS, this Board hereby authorizes the issuance and sale of the Series B Bonds pursuant to this resolution.

ARTICLE I

DEFINITIONS; AUTHORITY

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

"Accreted Interest" means, with respect to any Capital Appreciation Bond, Accreted Value as of the date of its calculation, less the original principal amount of such Capital Appreciation Bond.

"Accreted Value" means (a) on any Compounding Date, the amount set forth opposite such Compounding Date on the Table of Accreted Values which is included in Exhibit B hereto as part of the form of Capital Appreciation Bond, (b) on any date between the Closing Date and the first Compounding Date, the amount determined on the basis of straight-line interpolation between the Closing Date and such Compounding Date (based on a 360-day year and twelve 30-day months), and (c) on any date which is between two Compounding Dates (based on a 360-day year and twelve 30-day months), the amount determined on the basis of straight-line interpolation between such date and such Compounding Date.

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

"Board" means the Board of Trustees of the San Mateo County Community College District, San Mateo County, California.

"Bond Construction Fund" means the fund of that name established under Section 3.02.

"Bond Counsel" means any attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Law" has the meaning given to said term in the recitals.

"Bond Payment Date" means, unless otherwise specified in the Purchase Contract, (i) with respect to interest on the Current Interest Bonds, March 1 and September 1 of each year, commencing March 1, 2007, (ii) with respect to the principal payments on the Current Interest Bonds, September 1 of each year, commencing September 1, 2007, (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

"Bonds" or "Series B Bonds" means the Current Interest Bonds and the Capital Appreciation Bonds at any time Outstanding pursuant to this Resolution.

"Capital Appreciation Bonds" means Series B Bonds, the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Series B Bonds in the Purchase Contract. "Capital Appreciation Term

Bonds" means those Capital Appreciation Bonds for which mandatory redemption dates have been established in Section 2.03.

"Capitalized Interest Account" means the Capitalized Interest Account of the Interest and Sinking Fund established under Section 3.04.

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

"Compounding Date" means, unless otherwise specified in the Purchase Contract, with respect to any Capital Appreciation Bond, March 1, 2007 and each March 1 and September 1 thereafter, to and including the date of maturity of such Capital Appreciation Bond.

"Controller" means the Controller of the County.

"County" means the County of San Mateo, California.

"Current Interest Bonds" means the Series B Bonds, the interest on which is payable on each Bond Payment Date specified for each such Series B Bond, as designated and maturing in the years and in the amounts set forth in the Purchase Contract. "Current Interest Term Bonds" means those Current Interest Bonds for which mandatory redemption dates have been established pursuant to Section 2.03.

"Debt Service" means the scheduled amount of interest and amortization of principal on Current Interest Bonds, and Maturity Amount on the Capital Appreciation Bonds, in both cases payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

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

"District" means the San Mateo County Community College District and any successor thereto.

"District Representative" means the Chancellor of the District, the Executive Vice Chancellor of the District, the Chief Financial Officer of the District, or any other person authorized by the Chancellor of the District to act on behalf of the District with respect to this Resolution and the Bonds.

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

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness or those securities for which the faith and credit of the United States are pledged for the payment of principal and interest.

"Information Services" means Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; or Standard & Poor's Called Bond Record.

"Interest and Sinking Fund" means the fund established and held by the County for the District under Section 3.04.

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

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

"Official Statement" means, inclusively, the preliminary and final official statements for the sale of the Bonds in the forms approved by the District pursuant to Section 4.03.

"Original Purchaser" means Morgan Stanley & Co. Incorporated, as the first purchaser of the Series B Bonds pursuant to the Purchase Contract.

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

(a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to the Resolution.

"Owner" or **"Bondowner"** means any person who shall be the registered owner of any Outstanding Bond.

"Paying Agent" means the Treasurer Tax-Collector of the County, the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place by the Chancellor of the District.

"Principal Office" means the principal office of the Paying Agent in Redwood City, California.

"Purchase Contract" means the Purchase Contract, dated the date of sale of the Series B Bonds, by and between the Original Purchaser and the District, pursuant to which the Original Purchaser agrees to purchase all of the Bonds, subject to the conditions contained in Section 4.01 hereof.

"**Qualified Projects**" means capital projects authorized under the 2005 Authorization.

"**Regulations**" means temporary and permanent regulations promulgated under the Tax Code.

"**Resolution**" or "**Bond Resolution**" means this Resolution.

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

"**Tax Code**" means the Internal Revenue Tax 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 temporary and final Regulations promulgated under the Tax Code.

"**Treasurer**" means the Treasurer-Tax Collector of the County, or deputy or designee thereof.

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

ARTICLE II

THE BONDS

Section 2.01. Authorization. The Bonds, comprised of Current Interest Bonds and Capital Appreciation Bonds, are hereby authorized to be issued by the District under and subject to the terms of the Bond Law and this Resolution; provided, that the aggregate principal amount of the Current Interest Bonds and the Capital Appreciation Bonds shall not exceed $332,570,605.40; and provided, further, that, pursuant to Section 53508.5(b) of the Bond Law, issuance of the Bonds shall cause the District's overall outstanding general obligation bond debt to be amortized in a more level manner. This Resolution constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the “San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B”.

Section 2.02. Terms of Bonds.

(a) Form; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons. Bonds shall be lettered and numbered as the Paying Agent shall prescribe. The Current Interest Bonds shall be issued in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Current Interest Bonds maturing in the year of maturity of the Current Interest Bond for which the denomination is specified. The Capital Appreciation Bonds shall be issued in the Maturity Amount of $5,000 each or any integral multiple thereof (provided that one Capital Appreciation Bond may be issued in a Maturity Amount of any amount), but in an amount not to exceed the aggregate Maturity Amount of Capital Appreciation Bonds maturing in the year of maturity for the Capital Appreciation Bonds for which the denomination is specified.

(b) Date of Bonds. The Current Interest Bonds shall be dated the Closing Date, or such other date as shall be specified in the Purchase Contract. The Capital Appreciation Bonds shall be dated the Closing Date.

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

(d) Maturities; Interest. The Series B Bonds shall mature on September 1 in the years and amounts set forth in the Purchase Contract.

The Maturity Amount of any Capital Appreciation Bond shall be payable only upon the maturity of such Capital Appreciation Bond. The total amount of principal of and interest payable on the Capital Appreciation Bonds as of any date other than its maturity date shall be the Accreted Value thereof determined as of such date.

The Current Interest Bonds shall bear interest at such rate as shall be determined upon the sale thereof in accordance with Section 4.01 hereof, payable semi-annually on Bond Payment Dates, or such other dates as shall be specified in the Purchase Contract.

The Capital Appreciation Bonds shall accrete interest at such rate or rates as shall be determined upon the sale thereof in accordance with Section 4.01 hereof.

Each Current Interest Bond shall bear interest from the Bond Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of a Bond Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to a Bond Payment Date and after the close of business on the fifteenth (15th) day of the month preceding such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or (iii) it is registered and authenticated prior to February 15, 2007, in which event it shall bear interest from the date described in paragraph (b) of this Section 2.02; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Bond Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(e) Payment. Interest on the Current Interest Bonds, including the final interest payment upon maturity, is payable by check of the Paying Agent mailed on the Bond Payment Date via first-class mail to the Owner thereof at such Owner's address as it appears on the bond register maintained by the Paying Agent at the close of business on the fifteenth (15th) day of the month preceding the Bond Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Current Interest Bonds, by wire transfer.

The interest portion of the Accreted Value of any Capital Appreciation Bond which is payable on the date of maturity shall represent interest accrued and coming due on such date. The Accreted Value of any Capital Appreciation Bond at maturity shall be payable, except as provided below, by check mailed by first-class mail, in lawful money of the United States of America upon presentation and surrender of such Bond at the Principal Office of the Paying Agent.

Section 2.03. Redemption. The Series B Bonds will be subject to redemption as provided in the Official Statement and the Purchase Contract.

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

Notice of redemption shall be by first class mail, postage prepaid, to the original purchaser of the Bonds, to a Securities Depository and to an Information Service that disseminates securities redemption notices, and to the District and to the County, and by registered or certified mail or personal delivery to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register of the Paying Agent, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds. Any such redemption notice may provide that redemption of the Bonds shall be conditioned upon receipt by the District of sufficient funds to redeem the Bonds on the proposed redemption date.

Section 2.04. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of Cede & Co. (the "Nominee"). Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

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

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners. The Paying Agent agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Paying Agent. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Resolution, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Paying Agent in the issuance of replacement Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Paying Agent on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article 2. Prior to its termination, the Depository shall furnish the Paying Agent with the names and addresses of the Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.05. Form of Bonds. The Bonds, the form of the Paying Agent’s certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the form, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as set forth in Exhibit A (Capital Appreciation Bond) and Exhibit B (Current Interest Bond) attached hereto.

Section 2.06. Execution of Bonds. The Bonds shall be executed on behalf of the Board by the facsimile signatures of the Chancellor or Executive Vice Chancellor and countersigned by the Vice President/Clerk of the Board of Trustees who are in office on the date of adoption of this Resolution or at any time thereafter, and the seal of the District shall be impressed, imprinted or reproduced by facsimile thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Board by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A and Exhibit B 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 Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.07. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.09 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

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

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

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

Section 2.10. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations.

Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Bonds executed and delivered hereunder.

Section 2.11. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.11 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds issued pursuant to this Resolution.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF BOND PROCEEDS; SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 3.01. **Issuance and Delivery of Bonds**. At any time after the execution of this Resolution the District may issue and deliver the Bonds. The District Representative shall be, and is hereby, directed to cause the Bonds to be printed, signed and sealed, and to be delivered to the Original Purchaser upon the Treasurer's receipt of the purchase price therefor, and upon the Original Purchaser's performance of the conditions imposed by the District. The Paying Agent is hereby authorized to deliver the Bonds to the Original Purchaser, upon receipt of a Written Request of the District.

Section 3.02. **Application of Proceeds of Sale of Bonds**. The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, shall be paid to the Treasurer to the credit of the fund hereby created and established and to be known as the "Election of 2005, Series B San Mateo County Community College District Bond Construction Fund" of the District (the "Bond Construction Fund"), which shall be accounted for separately and distinctly from all other District and County funds, and those proceeds shall be used solely to pay the costs of Qualified Projects. Funds on hand in the Bond Construction Fund shall be invested by the Treasurer in its discretion and under its direction in investments authorized for the District under the law of the State. The interest earned on the monies deposited to the Bond Construction Fund shall be deposited in the Bond Construction Fund and used to pay the costs of Qualified Projects. Any excess proceeds of the Bonds (including interest earnings thereon) not needed for the purposes of the Bond Construction Fund shall be transferred to the Interest and Sinking Fund and applied to the payment of principal and interest on the Series B Bonds, at the written direction of the District. If, after payment in full of the Series B Bonds, there remain excess proceeds (or interest earnings thereon), any such excess amounts shall be transferred to the general fund of the District, pursuant to Section 15234 of the Education Code.

Proceeds from the sale of the Bonds which consist of accrued interest on the Bonds (if any) and any premium paid to the District shall be deposited into the Interest and Sinking Fund, except that the portion of the premium designated as capitalized interest shall be deposited into the Capitalized Interest Account of the Interest and Sinking Fund.

Section 3.03. **Security for the Bonds.** The Bonds are general obligations of the District. The Board of Supervisors of the County has the power, is obligated to, and shall levy ad valorem taxes upon all property within the District subject to taxation, without limitation of rate or amount (except with respect to certain personal property which is taxed at limited rates), for the payment of the Bonds and the interest thereon, in accordance with and subject to Sections 15250 and Section 15252 of the Education Code.

Section 3.04. **Interest and Sinking Fund; Capitalized Interest Account.** The District shall instruct the Controller to create and maintain while the Bonds are outstanding an interest and sinking fund for the Series B Bonds (the "Interest and Sinking Fund"), which shall be maintained by the Treasurer as a separate account, distinct from all other funds of the District, into which shall be paid on receipt thereof, (i) the portion of the Bond proceeds designated in Section 3.02 of this Resolution as accrued interest and premium (except that portion of the premium designated as capitalized interest), if any, and (ii) the proceeds of any taxes levied pursuant to Section 3.03. The Interest and Sinking Fund shall be administered and disbursements made in the manner set forth in Section 3.05 hereof.

The District shall further instruct the Controller to create and maintain a Capitalized Interest Account within the Interest and Sinking Fund for the Series B Bonds, which shall be maintained by the Treasurer as a separate account, distinct from all other funds of the District, into which shall be paid on receipt thereof, the portion of the premium designated in Section 3.02 of this Resolution as capitalized interest. The Capitalized Interest Account shall be administered and disbursements made in the manner set forth in Section 3.05 hereof.

Section 3.05. Disbursements From Interest and Sinking Fund and Capitalized Interest Account. The moneys in the Interest and Sinking Fund, to the extent necessary to pay Debt Service on the Bonds as the same becomes due and payable (but only when moneys in the Capitalized Account are insufficient therefor), shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Debt Service on the Bonds. DTC will thereupon make payments of Debt Service on the Bonds to the DTC Participants who will thereupon make payments of Debt Service to the beneficial owners of the Bonds. Any moneys remaining in the Interest and Sinking Fund after Debt Service on the Bonds has been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to Section 15234 of the Education Code.

The moneys in the Capitalized Interest Account shall be disbursed to pay Debt Service on the Bonds as the same becomes due and payable, and shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Debt Service on the Bonds. Moneys in the Capitalized Interest Account shall be invested in investments authorized for the District under the law of the State. The Capitalized Interest Account shall be closed by the Treasurer upon expenditure of all moneys therein.

ARTICLE IV

SALE OF THE BONDS; OFFICIAL STATEMENT

Section 4.01. Sale of the Bonds. The Bonds shall be sold to the Original Purchaser pursuant to the terms of a Purchase Contract, between the Original Purchaser and the District, and dated the date of sale of the Bonds (the "Purchase Contract"), so long as the principal amount of the Bonds does not exceed $332,570,605.40, so long as the net interest cost on the Bonds does not exceed 6.0%, and so long as the Original Purchaser's discount on the Bonds (without regard to an original issue discount, if any) does not exceed 1.0%. A District Representative is hereby authorized and directed to execute the Purchase Contract, so long as the limitations contained herein are reflected in the Purchase Contract.

The Purchase Contract shall recite the aggregate principal amount of the Bonds of each Series, and with respect to the Current Interest Bonds, shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any; and with respect to the Capital Appreciation Bonds, shall recite the date thereof (if other than the date of issuance), the initial principal amounts, maturity dates, and maturity values of each maturity thereof, the initial and semiannual interest compounding dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, if any.

The District Representative is hereby authorized to solicit proposals from municipal bond insurers, and, if such officer determines it is in the best interest of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

Section 4.02. Official Action. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Bonds are hereby approved and ratified, and the District Representative and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the Board, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution.

Section 4.03. Preparation of Official Statement. The Board hereby approves the Preliminary Official Statement describing the Series B Bonds in substantially the form submitted by the Original Purchaser and on file with the Vice President/Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate deeming the Preliminary Official Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the Preliminary Official Statement in connection with the sale of the Series B Bonds is hereby approved. Each of the Chancellor and the Executive Vice Chancellor is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Executive Vice Chancellor shall be conclusive evidence of his approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement by the Original Purchaser of the Bonds. The final Official Statement shall be executed in the name and on behalf of the District by the Chancellor or the Executive Vice Chancellor.

ARTICLE V

COVENANTS

Section 5.01. Punctual Payment. The District Representative is hereby authorized and directed to report to the Controller all final terms of sale of the Bonds, and to file with the Controller and with the Treasurer a copy of the executed Purchase Contract, this Resolution, and the schedule of amortization of the principal of and payment on the Bonds. The filing of this Resolution shall serve as the notice required to be given by Section 15140(c) of the Education Code and as the District's request to the Controller and the Board of Supervisors of the County to propose and adopt, pursuant to law, in each year a tax rate applicable to all taxable property of the District for payment of the Bonds; and to the other officers of the County to levy and collect said taxes for the payment of the Bonds, to pay in a timely manner to the Paying Agent on behalf of the Owners of the Bonds the principal, interest, and premium, if any, due on the Bonds in each year; and to create in the County treasury to the credit of the District a Bond Construction Fund and a Interest and Sinking Fund pursuant to Section 15146 of the Education Code. Nothing herein contained shall prevent the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default by the District hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Tax Covenants.

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series B Bonds are not so used as to cause the Series B 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 Series B Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

(c) Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series B Bonds.

(d) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series B Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series B Bonds would have caused the Series B Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

(e) Maintenance of Tax Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series B Bonds from the gross income of the Owners of the Series B 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 date of issuance of the Series B Bonds.

Section 5.04. 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. "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof, the form of which is on file with the Vice President/Clerk.

ARTICLE VI

THE PAYING AGENT

Section 6.01. **Appointment of Paying Agent**. The Treasurer Tax-Collector of the County, at its Principal Office in Redwood City, California, is hereby appointed by the District as the Paying Agent for the Bonds. The Paying Agent has undertaken to perform such duties, and only such duties, as are specifically set forth in this Resolution.

The fees and expenses of the Paying Agent not paid from the proceeds of sale of the Bonds shall be paid in each year from the Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code of the State of California.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. **Events of Default**. Any one or more of the following events shall constitute an "event of default":

(a) if default shall be made by the District in the due and punctual payment of Debt Service or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the District in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the District Representative; or

(c) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 7.02. **Application of Funds Upon Default**. All of the sums in the Interest and Sinking Fund and accounts provided for in Section 3.04 hereof upon the occurrence of an Event of Default as provided in Section 7.01 hereof, and all sums thereafter received by the Paying Agent hereunder, shall be applied by the Paying Agent in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Paying Agent hereunder and of the costs and expenses of Bondowners in declaring such event of default, including reasonable compensation to their agents, attorneys and counsel;

Second, in case the principal of the Bonds shall not have become due and payable, to the payment of the interest in default in the order of the maturity of the installments of such interest, with interest on the overdue installments at the rate of twelve percent (12%) per annum (to the extent that such interest on overdue installments shall have been collected), such payments to be made ratably to the persons entitled thereto without discrimination or preference;

Third, in case any principal of the Bonds shall have become and shall be then due and payable, all such sums shall be applied to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (to the extent that such interest on overdue installments of interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 7.03. **Remedies of Bondowners**. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners 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 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 Bondowners' rights; or

(c) upon the happening of any event of default (as defined in Section 7.01 hereof), 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 7.04. **Non-Waiver**. Nothing in this Article VII or in any other provision of this Resolution, or in the Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Bonds.

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

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

Section 7.05. **Remedies Not Exclusive**. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 8.01. Supplemental Resolutions Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Board may be adopted, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

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

(b) To add limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm, as further assurance, any pledge of the District under this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) To make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

Section 8.02. Supplemental Resolutions Effective With Consent of the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Bonds may be made by a Supplemental Resolution, with the written consent of the Owners of at least two-thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged by the District for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the Board, the District, the Paying Agent, the escrow agent (if any), the County and the Owners of the Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

Section 9.02. Defeasance.

(a) Discharge of Resolution. Any or all 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 Debt Service on Bonds Outstanding and designated for defeasance, as and when the same become due and payable;

(ii) by depositing with an escrow agent, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) to pay Bonds Outstanding and designated for defeasance; or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding and designated for defeasance.

If the District shall pay such Bonds Outstanding as have been designated for defeasance and shall also pay or cause 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 such Bonds shall not have 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 such 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 or an escrow agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Resolution which are not required for the payment of such Bonds not theretofore surrendered for such payment.

(b) Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) to pay any Outstanding Bond (whether upon or prior to its maturity date), then all liability of the District in respect of such 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 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 or an escrow 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 Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent or an Escrow Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent or an escrow agent money or securities in the necessary amount to pay any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent or an escrow agent in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant, knowledgeable in calculation of amounts necessary to defease municipal securities, delivered to the District, will provide money sufficient to pay the Debt Service on the Bonds to be paid, as such Debt Service becomes due;

provided, in each case, that the Paying Agent or an escrow agent shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such Debt Service on such Bonds.

(d) Payment of Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the Debt Service on any Bonds and remaining unclaimed for one year after the Debt Service on all of the Bonds has become due and payable, if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District, free from the trusts created by this Resolution, and all liability of the 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) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the 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. Execution of Documents and Proof of Ownership by Bondowners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Bondowners may be in one or more instruments of similar tenor, and shall be executed by Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondowner 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 registry books.

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

Section 9.04. Waiver of Personal Liability. No board member, officer, agent or employee of the Board or the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such board member, officer, agent or employee from the performance of any official duly provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Bonds which have been paid or canceled pursuant to 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 Bonds therein referred to.

Section 9.06. 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 Board hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the 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 District Representative in trust for the benefit of the Bondowners.

Section 9.07. Appointment of Bond Counsel and Disclosure Counsel. The firm of Jones Hall, A Professional Law Corporation, is hereby acknowledged as bond counsel and disclosure counsel to the District in connection with the Bonds, in accordance with the terms and conditions set forth in the agreement for legal services on file with the Executive Vice Chancellor.

Section 9.08. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * * * * *

PASSED AND ADOPTED this 8th day of November, 2006, by the following vote:

AYES:

NOES:

ABSENT:

____
President of the Board of Trustees of
San Mateo County Community College District
San Mateo County, California

ATTEST:

____
Vice President/Clerk of the Board of Trustees of
San Mateo County Community College District,
San Mateo County, California

I, Helen Hausman, Vice President/Clerk of the Board of Trustees of San Mateo County Community College District, San Mateo County, California, do hereby certify that the foregoing is a full, true and correct copy of the Resolution passed and adopted by said Board of Trustees at a regular meeting on the 8th day of November, 2006, and that the minutes of said Board of Trustees shows that _________(___) members of said Board voted for and _________(___) members of said Board voted against the adoption of said Resolution and the said Resolution is now spread upon the minutes of said Board.

____
Vice President/Clerk of the Board of Trustees of
the San Mateo County Community College
District
San Mateo County, California

EXHIBIT A
FORM OF SERIES B
(CAPITAL APPRECIATION BOND)

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
SAN MATEO COUNTY

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2006 GENERAL OBLIGATION BOND (ELECTION OF 2005), SERIES B

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP
	September 1, ___		

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT: DOLLARS

MATURITY AMOUNT: DOLLARS

The SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, a community college district, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Maturity Amount stated above, constituting the Principal Amount of $_______________ per $________________ of Maturity Amount in lawful money of the United States of America, and interest on said Principal Amount from the Issue Date specified above until payment of such Principal Amount at the Interest Rate stated above per annum, compounded semiannually on each March 1 and September 1, commencing March 1, 2007 and payable on the Maturity Date specified above; provided, however, that the amount of principal and interest payable on any date shall be determined solely by reference to the Table of Compounded Amounts on Page 4 hereof. Principal hereof and interest hereon is payable at the Principal Office of the Treasurer Tax-Collector of the County (the "Paying Agent"), in Redwood City, California. Payment of the principal of and interest on the Bonds shall be payable by check representing the coin or currency of the United States of America as, at the times of payment, shall be legal tender for the payment of public or private debts.

This Bond is one of a duly authorized issue of bonds of the District designated as "San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B" (the "Bonds"), in an aggregate principal amount of ______________ Dollars ($________________), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and pursuant to Resolution No. ____ of the Board of Trustees of the District adopted November 8, 2006 (the "Resolution"), authorizing the issuance of the Bonds. The Bonds are issued both as current interest bonds and capital appreciation bonds ("Capital Appreciation Bonds"). This Bond is one of the Capital Appreciation Bonds issued by the District.

The Bonds are being issued subject to the terms and conditions of the Resolution. All capitalized terms herein shall have the same meaning as the capitalized terms in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Chancellor of the District) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District for the purposes specified in the Resolution.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District. The Board of Supervisors of the County of San Mateo (the "County") has the power and is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District in accordance with and subject to Section 15250 and Section 15252 of the Education Code of the State of California. The Bonds, and the interest thereon, are not a debt of the County.

The Bonds issued as Capital Appreciation Bonds are issuable as fully registered Series B Bonds, without coupons, in Maturity Amounts of $5,000 and any integral multiple thereof (provided that one Capital Appreciation Bond may be issued in a Maturity Amount of any amount). Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

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

[Insert Redemption Provisions].

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

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

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

California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

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

IN WITNESS WHEREOF, the San Mateo County Community College District, San Mateo County, California has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chancellor of the District, and to be countersigned by the manual or facsimile signature of the Vice President/Clerk of the Board of Trustees of the District, and its seal to be reproduced hereon, all as of the Issue Date stated above.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ________________________________
Chancellor

(S E A L)

ATTEST:

____
Vice President/Clerk of the Board of Trustees,
San Mateo County Community College District

TABLE OF COMPOUNDED AMOUNTS

[To Come]

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

San Mateo County Community College District
2006 General Obligation Bond (Election of 2005), Series B

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date: _

TREASURER-TAX COLLECTOR, County of San Mateo, as Paying Agent

____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	____ Minor Under Uniform Gifts to Minors Act ________________ (State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(FORM OF ASSIGNMENT)

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

____

____

____

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

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

Dated: __________________________

Signature Guaranteed:

____

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

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

EXHIBIT B

FORM OF CURRENT INTEREST BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN MATEO

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2006 GENERAL OBLIGATION BOND (ELECTION OF 2005), SERIES B

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP:
	September 1, ___		

REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS

The SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “District”), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the “Owner”), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to an interest payment date and after the close of business on the fifteenth day of the month preceding such interest payment date, in which event it shall bear interest from such interest payment date, or (iii) this Bond is authenticated on or prior to February 15, 2007, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on March 1 and September 1 in each year, commencing March 1, 2007, calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal hereof is payable at the Principal Office of the Treasurer Tax-Collector of the County (the “Paying Agent”), in Redwood City, California. Interest hereon (including the final interest payment upon maturity) is payable by check of the Paying Agent mailed by first-class mail to the Owner at the Owner’s address as it appears on the bond register maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date (the “Record Date”), or at such other address as the Owner may have filed with the Paying Agent for that purpose.

This Bond is one of a duly authorized issue of bonds of the District designated as “San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B" (the "Bonds"), in an aggregate principal amount of __________________ dollars ($_______________), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and pursuant to Resolution No. ____ of the Board of Trustees of the District adopted November 8, 2006 (the "Resolution"), authorizing the issuance of the Bonds. The Bonds are issued both as current interest bonds ("Current Interest Bonds") and capital appreciation bonds. This Bond is one of the Current Interest Bonds issued by the District.

The Bonds are being issued subject to the terms and conditions of the Resolution. All capitalized terms herein shall have the same meaning as the capitalized terms in the Resolution. Reference is hereby made to the Resolution (copies of which are on file at the office of the Chancellor of the District) and the Bond Law for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District for the purposes specified in the Resolution.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District. The Board of Supervisors of the County of San Mateo (the "County") has the power and is obligated to levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District in accordance with and subject to Section 15250 and Section 15252 of the Education Code of the State of California. The Bonds, and the interest thereon, are not a debt of the County.

[Insert Redemption Provisions].

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

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

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

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

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

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

IN WITNESS WHEREOF, the San Mateo County Community College District, San Mateo County, California has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chancellor of the District, and to be countersigned by the manual or facsimile signature of the Vice President/Clerk of the Board of Trustees, and its seal to be reproduced hereon, all as of the Issue Date stated above.

SAN MATEO COUNTY COMMUNITY
COLLEGE DISTRICT

By: ______________________________
Chancellor

(S E A L)

ATTEST:

____
Vice President/Clerk of the Board of Trustees,
San Mateo County Community College District

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

San Mateo County Community College District
2006 General Obligation Bond (Election of 2005), Series B

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date:

TREASURER-TAX COLLECTOR, County of San Mateo, as Paying Agent

____
Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT
TEN ENT --	as tenants by the entireties	____ Custodian
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	____ Minor Under Uniform Gifts to Minors Act __________________ (State)

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(FORM OF ASSIGNMENT)

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

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

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

Dated: __________________________

Signature Guaranteed:

____

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

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

$______________
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(COUNTY OF SAN MATEO, CALIFORNIA)
2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B

BOND PURCHASE CONTRACT

November __, 2006

Board of Trustees
San Mateo County Community College District

Ladies and Gentlemen:

Morgan Stanley & Co. Incorporated (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Bond Purchase Contract") with the San Mateo County Community College District (the "District"), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Bond Purchase Contract by the District and delivery of such acceptance to us at or prior to 11:59 p.m., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the $______________ aggregate initial principal amount of the District's 2006 General Obligation Bonds (Election of 2005), Series B (the "Bonds"), consisting of the following:

(a) Current Interest Bonds. $______________ aggregate principal amount of Current Interest Bonds and

(b) Capital Appreciation Bonds. $______________ aggregate initial principal (denominational) amount of Capital Appreciation Bonds.

The purchase price of the Bonds shall be $______________ consisting of the $______________ principal amount of the Bonds, plus $______________ original issue premium, less an underwriter's discount of $______________. Any moneys retained by the Underwriter for the purpose of paying costs of issuance that are not needed for that purpose shall be paid by the Underwriter to the Paying Agent (defined below) no later than March 1, 2007 for deposit into the "San Mateo County Community College District Interest and Sinking Fund" held by the Paying Agent.

2. **The Bonds.** The Bonds shall be issued in the form of Current Interest Bonds and Capital Appreciation Bonds, as identified on Appendix A hereto. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of (i) the ballot measure approved by the registered voters of the District held on November 8, 2005, which authorized a total of $468,000,000 principal amount of general obligation bonds to finance the

addition and modernization of school facilities for the District (the "Bond Measure"), (ii) the Resolution of the Board of Trustees of the District adopted on November 8, 2006 (the "Bond Resolution") and (iii) Sections 53506 et seq., of the California Government Code (the "Act").

All capitalized terms used herein without definition shall have the meanings given to them in the Bond Resolution.

The Current Interest Bonds shall be dated their date of delivery, and shall mature on September 1 in each of the years, in the principal amounts, and pay interest at the rates shown on Appendix A. Interest on the Current Interest Bonds shall be payable on each March 1 and September 1, commencing March 1, 2007.

The Capital Appreciation Bonds shall be dated their date of delivery and shall mature on September 1 in each of the years and in the redemption values at maturity ("maturity values") shown on Appendix A. The initial principal (denominational) amounts of each maturity of the Capital Appreciation Bonds and the interest rate at which interest is to accrete thereon shall be as shown on Appendix A. Interest on the Capital Appreciation Bonds shall be compounded on March 1 and September 1 in each year, commencing March 1, 2007. The Underwriter has prepared a table of accreted values for the Capital Appreciation Bonds which is attached in Appendix A.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Bond Purchase Contract and the Bond Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

The Bonds shall be subject to optional and mandatory sinking fund redemption on the terms and at the times shown on Appendix A.

The Bonds [maturing on and after September 1, 20__ (the "Insured Bonds")]shall be insured by a municipal bond insurance policy (the "Policy") to be issued by ______________ (the "Insurer").

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Bond Resolution, this Bond Purchase Contract and an Official Statement (defined below).

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter must provide to the District on the Closing Date a certificate setting forth the offering prices to the public of each maturity of the Bonds at which a substantial amount of such maturities were sold, in a form acceptable to Bond Counsel.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated November __, 2006 (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering

price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The District has executed a certificate deeming the Preliminary Official Statement final for purposes of the Rule in the form of Appendix B.

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter shall send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received

6. **Closing.** At 8:30 a.m., California Time, on December __, 2006, or at such other time or on such other date as shall have been mutually agreed upon by the District and us (the "Closing"), you will deliver to us, at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in San Francisco, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price thereof as provided in Section 1.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a community college district duly organized and validly existing under the Constitution and the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Bond Purchase Contract, to adopt the Bond Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Bond Purchase Contract and the Bond Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Bond Resolution and this Bond Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Bond Purchase Contract constitutes a valid and legally binding obligation of the District: and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as have already been taken or as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Bond Purchase Contract, the Bond Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Contract or the Bond Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Contract or the Bond Resolution, (b) declare this Bond Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) Certificates. Any certificates signed by a duly authorized officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(g) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such items permitted to be omitted from the Preliminary Official Statement pursuant to the Rule, and excluding information about DTC and its book-entry only system, information about the Insurer and its Policy, or information set forth in the sections of the Preliminary Official Statement and the Official Statement entitled “COUNTY INVESTMENT POOL,” as to which information no representation is made. At the date hereof and on the Closing Date, the Final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein, or information relating to DTC and its book-entry only system or the Insurer and its Policy, or information set forth in the sections of the Preliminary Official Statement and the Official Statement entitled "COUNTY INVESTMENT POOL."

8. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Bond Resolution, the Bond Measure and the Act;

(c) Official Statement. Within 7 business days from the date hereof (and, thereafter, for such period of time ending on the earlier of: (i) 90 days after the End of the Underwriting Period (as hereinafter defined); or (ii) the time when the Official Statement becomes available from a "national recognized municipal securities information repository" (each, a "NRMSIR"), but in no event less than 25 days after the End of the Underwriting Period), the District shall deliver or cause to be delivered to the Underwriter copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five business days following the date this Bond Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with Rule G-32 of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the Bonds are delivered to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is 25 days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. For a period of 25 days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Underwriter shall reasonably object in writing; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

9. **Representations and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under the Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship within the meaning of Government Code Section 53691 with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds, in the form attached to the Official Statement as Appendix D, is sufficient to effect compliance with the Rule.

10. **Conditions to Closing.** The Underwriter has entered into this Bond Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Bond Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Bond Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Bond Purchase Contract, the Bond Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by us; (ii) all actions under the Act which, in the opinion of Jones Hall, A Professional Law Corporation, bond counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Bond Resolution, this Bond Purchase Contract or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be threatened which has any of the effects described in Section 7(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive one copy of the following documents in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District in the form attached as Appendix C to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated as of the Closing Date, substantially to the following effect:

(i) This Bond Purchase Contract has been duly executed and delivered by the District and is a valid and binding agreement of the District, subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against community college districts and counties in the State of California.

(ii) The statements contained in the Official Statement pertaining to the Bonds under the captions "THE BONDS," "SECURITY FOR THE BONDS," "APPLICATION OF PROCEEDS OF BONDS," "TAX MATTERS," and "APPENDIX C – FORM OF OPINION OF BOND COUNSEL", insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Resolution and the final approving opinion of Bond Counsel, are accurate in all material respects.

(iii) The Bonds are exempt from registration under the Securities Act of 1933 (the "Securities Act"), as amended, and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(3) Reliance Letter. A reliance letter from Bond Counsel addressed to the Underwriter to the effect that the Underwriter can rely upon the approving opinion described in (d)(1) above;

(4) Opinion of County Counsel. An opinion of County Counsel, as counsel to the District, addressed to the Underwriter, to the following effect:

(i) The District is a community college district duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) The District has full legal power and lawful authority to adopt the Bond Resolution, to execute and deliver the Bond Purchase Contract and to carry out and consummate the transactions on its part contemplated by the Bond Resolution, the Bond Purchase Contract and the Official Statement;

(iii) The Bond Purchase Contract has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally;

(iv) The Bond Resolution was duly adopted at a meeting of the District's Board of Trustees called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Bond Resolution is in full force and effect and has not been modified, amended or rescinded;

(v) The execution and delivery of the Bond Purchase Contract, issuance of the Bonds, and compliance with the provisions of the Bond Purchase Contract and the Bond Resolution, under the circumstances contemplated thereby, do not and will not in any material respect conflict with, or constitute on the part of the District a breach of or default under, any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject;

(vi) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date of the Closing for the District to perform its obligations under the Bond Purchase Contract or the Bond Resolution;

(vii) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental agency or body, pending or, to the best knowledge of such counsel after due investigation, threatened against the District, challenging the creation, organization or existence of the District, or the validity of the Bond Resolution or seeking to restrain or enjoin issuance of the Bonds or in any way contesting or affecting the validity of the Bond Purchase Contract or the Bond Resolution or any of the transactions referred to therein or contemplated thereby or contesting the authority of the District to enter into or perform its obligations under the Bond Purchase Contract or the Bond Resolution, or under which a determination adverse to the District would have a material adverse effect upon the District, or which, in any manner, questions or affects the right or ability of the District to issue the Bonds; and

(viii) Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has led such counsel to believe that the Official Statement (excluding therefrom financial statements and statistical data, information regarding The Depository Trust Company and its book entry system, and information regarding the Insurer and its Policy, as to which no opinion need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(5) <u>District Certificate</u>. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Bond Purchase Contract, (ii) the representations, agreements and warranties of the District in this Bond Purchase Contract are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Bond Resolution and this Bond Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such District official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Contract substantially conform to the descriptions thereof contained in the Bond Resolution;

(6) <u>Arbitrage</u>. A tax certificate of the District in form satisfactory to Bond Counsel and the Underwriter;

(7) <u>Bond Resolution</u>. A certificate, together with fully executed copies of the Bond Resolution, of the Clerk of the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the Bond Resolution; and

(ii) the Bond Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(8) Rule 15c2-12 Certificate. A certificate of the appropriate official of the District in the form of Appendix B to this Bond Purchase Contract;

(9) Insurance Policy. A copy of the Policy issued by the Insurer insuring payment of the principal of and interest on the Bonds;

(10) Insurer Certificate. A certificate of the Insurer, dated the day of the Closing, to the effect that the information included in the Official Statement describing the Policy and the Insurer is true and correct;

(11) Insurer Opinion. An opinion, dated the day of the Closing, and addressed to the District and the Underwriter, of counsel to the Insurer regarding the enforceability of the Policy, in form and substance acceptable to the Underwriter;

(12) Paying Agent Certificate. A certificate of the Treasurer-Tax Collector (the "Paying Agent") of the County of San Mateo (the "County"), dated the date of Closing, to the following effect:

(i) acknowledging and accepting the duties of Paying Agent specified in the Bond Resolution and

(ii) certifying that the section of the Official Statement entitled "COUNTY INVESTMENT POOL," as of the date thereof and as of the date of Closing, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(13) Receipt of County Treasurer. A receipt signed by the Paying Agent confirming payment by the Underwriter of the purchase price of the Bonds;

(14) Continuing Disclosure Certificate. A Continuing Disclosure Certificate executed by the District, in substantially the form attached to the Official Statement as Appendix D;

(15) Tax Rate Projection. An executed certificate of the District regarding Projection of Tax Rates in compliance with Education Code Section 15270(b).

(16) Rating Letters. Rating letters from Moody's Investors Service and Standard & Poor's Rating Services to the effect that the rating agencies have given

the Bonds the ratings shown on the cover of the Official Statement, and that each such rating has not been revoked or downgraded.

(17) Underwriter's Counsel Letter. A letter from Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the Underwriter, dated the Closing Date, and addressed to the Underwriter, to the effect that:

(i) without passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and making no representation that they have independently verified the accuracy, completeness or fairness of any such statements, based upon the information made available to them in the course of their participation in the preparation of the Official Statement, nothing has come to such counsel's attention which would lead them to believe that the Official Statement (but excluding therefrom financial statements and statistical data, information regarding The Depository Trust Company and its book entry system, and information regarding the Insurer and its Policy, and Appendices B, C, D, E, F and G, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(ii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended;

(18) Disclosure Counsel letter. A letter from Jones Hall, A Professional Law Corporation, as disclosure counsel ("Disclosure Counsel") dated the Closing Date and addressed to the District and the Underwriter to the effect that: without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has led such counsel to believe that the Official Statement (but excluding therefrom financial statements and statistical data, information regarding The Depository Trust Company and its book entry system, and information regarding the Insurer and its Policy, and Appendices B, D, E, F and G, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(19) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(e) Termination. If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Contract, this Bond Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

In addition, the Underwriter shall have the right to terminate this Bond Purchase Contract, without liability therefor, by written notification to the District if at any time at or prior to the Closing:

(i) Any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement or circular on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the District, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(iii) Any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the

State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iv) Legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of securities of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that securities of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter’s ability to market, deliver or trade the Bonds; or

(vi) A general banking moratorium shall have been established by federal or State authorities; or

(vii) The United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States, being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market or deliver the Bonds; or

(viii) Any rating of the securities of the District shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) The commencement of any action, suit or proceeding described in paragraph 7(e) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) There shall be in force a general suspension of trading on the New York Stock Exchange.

11. **Conditions to Obligations of the District.** The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

12. **Indemnification Provisions.**

(a) To the extent permitted by law, the District agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls (within the meaning of Section 15 of the Securities Act of 1933, as amended or Section 20 of the Securities Exchange Act of 1934, as amended), the Underwriter, and the officers, directors, agents and employees of the Underwriter, against any and all losses, claims, damages, liabilities and expenses (i) arising out of any statement or information in the Preliminary Official Statement or in the Official Statement (excluding statements and information under the caption "UNDERWRITING," contained in APPENDIX F – "Book-Entry System," information regarding the Insurer and its Policy, and information as to bond prices on the inside cover of the Preliminary Official Statement or the Official Statement) that is untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that should be stated therein or that is necessary to make the statements therein relating to the District not misleading in any material respect, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based on any such untrue statement or omission, if such settlement is effected with the consent of the District; provided, however, that in no event shall this indemnification agreement inure to the benefit of the Underwriter (or any person controlling the Underwriter), on account of any losses, claims, damages, liabilities, or actions arising from the sale of the Bonds upon the public offering to any person by the Underwriter, if such losses, claims, damages, liabilities or actions arise out of, or are based upon, an untrue statement or omission or alleged untrue statement or omission in the Preliminary Official Statement and if the Official Statement shall correct the untrue statement or omission or the alleged untrue statement or omission which is the basis of the loss, claims, damage, liability or action for which indemnification is sought and a copy of the Official Statement has not been sent or given to such person at or prior to confirmation of such sale to him or her. In case any claim shall be made or action brought against the Underwriter or any controlling person based upon the Official Statement for which indemnity may be sought against the District, as provided above, the Underwriter shall promptly notify the District in writing setting forth the particulars of such claim or action and the District shall assume the defense thereof, including at its option the retaining of counsel acceptable to the Underwriter and including the payment of all reasonable expenses. The Underwriter or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless the District shall have specifically authorized the retaining of such counsel. If the parties to such suit include both the Underwriter or such controlling person or persons and the District, and the Underwriter or controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the District, the District shall not be entitled to assume the defense of the suit.

(b) The Underwriter agrees to indemnify and hold harmless the District against any and all losses, claims, damages, liabilities and expenses (i) arising out of any statement or information provided by the Underwriter for inclusion in the Preliminary Official Statement or in the Official Statement under the caption "UNDERWRITING" and information as to bond prices on the inside cover page of the Official Statement, that is untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that should be stated therein or that is necessary to make the statements related to such information, not misleading in any material respect, and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based on any such untrue statement or omission if such settlement is effected with the consent of the Underwriter. In case any claim shall be made or action brought against the District or any controlling person based upon the Official Statement for which indemnity may be sought against the Underwriter, as provided above, the District shall promptly notify the Underwriter in writing setting forth the particulars of such claim or action and the Underwriter shall assume the defense thereof, including at its option the retaining of counsel acceptable to the District and including the payment of all reasonable expenses. The District or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless the Underwriter shall have specifically authorized the retaining of such counsel. If the parties to such suit include both the District or such controlling person or persons and the Underwriter, and the District or such controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the Underwriter, the Underwriter shall not be entitled to assume the defense of the suit.

13. **Expenses.** From $______________ of original issue premium retained by the Underwriter for such purpose, the Underwriter shall pay expenses incident to the issuance of the Bonds (except as otherwise agreed to by the District), including but not limited to the following: (i) the fees and disbursements of Bond Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees, if any, for Bond ratings, including all necessary travel expenses; (iv) the cost of the printing and distribution of the Official Statement; (v) the initial fees of the Paying Agent and the fees of the Paying Agent's counsel; (vi) the premium for the Policy, (vii) the fees and expenses of the escrow agent, if any, and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. The aggregate amount of the foregoing expenses to be paid by the Underwriter shall not exceed $______________ (not including Underwriter's discount), and any amount of such expenses in excess of such amount shall be the sole responsibility of the District. Prior to the Closing Date, the District shall provide to the Underwriter an itemized schedule of the individual payments to be made by the Underwriter under this paragraph, in form and substance acceptable to the Underwriter.

The Underwriter shall pay, and the District has no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including but not limited to (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's Counsel; (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, except as provided in the preceding paragraph or as otherwise agreed to by the Underwriter and the District; and (iv) the fees of the California Debt and Investment Advisory Commission.

14. **Notices.** Any notice or other communication to be given under this Bond Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing as follows:

If to the District:	San Mateo County Community College District, 3401 CSM Drive San Mateo, CA 94402 Attention: Chancellor
If to the Underwriter: .	Morgan Stanley & Co. Incorporated 555 California Street, Suite 2130 San Francisco, CA 94104 Attention: John Sheldon

15. **Parties in Interest; Survival of Representations and Warranties.** This Bond Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Bond Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any rights hereunder or by virtue hereof. All of the representations, warranties and agreements of the District in this Bond Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Bond Purchase Contract.

16. **Execution in Counterparts.** This Bond Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

17. **Applicable Law.** This Bond Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

MORGAN STANLEY & CO. INCORPORATED

By: ____
Authorized Representative

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ____
Chancellor

APPENDIX A

$______________
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(COUNTY OF SAN MATEO, CALIFORNIA)
2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B

$__________
Uninsured Current Interest Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield

$__________
Insured Current Interest Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield

$__________
Insured Capital Appreciation Bonds

Maturity Date (September 1)	Initial Amount	Yield	Maturity Value

Redemption Provisions

Current Interest Bonds. The Current Interest Bonds maturing on or before September 1, 20__, are not subject to redemption prior to their respective stated maturity dates. The Current Interest Bonds maturing on and after September 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after September 1, 20__, at the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date of redemption.

Capital Appreciation Bonds. The Capital Appreciation Bonds are not subject to redemption prior to maturity.

ACCRETED VALUE TABLE

APPENDIX B

$___________*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(COUNTY OF SAN MATEO, CALIFORNIA)
2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B

15c2-12 CERTIFICATE OF
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

The undersigned hereby certifies and represents that he is the duly appointed and acting Executive Vice-Chancellor of the San Mateo County Community College District (the "District"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the District as follows:

(1) This Certificate is delivered in connection with the offering and sale of the San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds and the District (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12.

IN WITNESS WHEREOF, I have hereunto set my hand as of November __, 2006.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ____
James Keller,
Executive Vice-Chancellor

Jones Hall Draft 10-30-06

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2006

NEW ISSUE – FULL BOOK ENTRY

Moody's: "___"
S&P: "___"
See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$______*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2006 General Obligation Bonds (Election of 2005), Series B
(Current Interest Bonds and Capital Appreciation Bonds)

Dated: Date of Delivery **Due: As shown on inside front cover**

Issuance. The San Mateo County Community College District (County of San Mateo, California) 2006 General Obligation Bonds (Election of 2005), Series B (the "Bonds") were authorized at an election of the registered voters of the District held on November 8, 2005, authorizing the District to issue a total of $468,000,000 principal amount of general obligation bonds. The Board of the District previously issued one series of bonds under the 2005 authorization (the $135,429,394.60 2006 General Obligation Bonds (Election of 2005), Series A). The Bonds are being issued by the District as current interest bonds (the "Current Interest Bonds") in denominations of $5,000 principal amount or integral multiples thereof and capital appreciation bonds (the "Capital Appreciation Bonds") in denominations of $5,000 maturity value or any integral multiple thereof.

Security. The Bonds are secured by taxes to be levied against property within the District. The Board of Supervisors of San Mateo County has the power and is obligated to annually levy *ad valorem* taxes upon property within the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS."

Redemption. The Bonds are subject to optional redemption prior to maturity as described herein. See "THE BONDS – Redemption".

Book Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "APPENDIX F - BOOK-ENTRY SYSTEM."

Payments. Interest with respect to the Current Interest Bonds accrues from the date of delivery and is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2007. The Capital Appreciation Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on March 1 and September 1 of each year, commencing March 1, 2007. Payments of principal and interest on the Bonds will be paid by the Paying Agent, initially the Treasurer-Tax Collector of the County of San Mateo, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

Bond Insurance. The scheduled payment of [the accreted values of the Capital Appreciation Bonds] [principal of and interest on the Current Interest Bonds] when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ___________.

[Insurer's Logo]

MATURITY SCHEDULE
See inside front cover

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their validity by Jones Hall, A Professional Law Corporation, San Francisco, California. Certain legal matters will also be passed upon for the District by San Mateo County Counsel. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the District. Stradling, Yocca, Carlson & Rauth, A Professional Corporation, San Francisco, California, will pass upon certain legal matters for the Underwriter. It is anticipated that the Bonds will be available in book-entry only form for delivery through the facilities of DTC, on or about __________, 2006.

Morgan Stanley

Dated: _________, 2006

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* Preliminary; subject to change.

MATURITY SCHEDULE

2006 GENERAL OBLIGATION BONDS
Election of 2005, Series B

(Base CUSIP†: 799038)

$_________ Current Interest Bonds

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP†	Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$____________ Denominational Amount ($_________ Maturity Amount)
Capital Appreciation Bonds

Maturity (Sept. 1)	Denominational Amount	Bond Yield	Maturity Value	CUSIP†	Maturity (Sept. 1)	Denominational Amount	Bond Yield	Maturity Value	CUSIP†

† CUSIP® A registered trademark of the American Bankers Association. Copyright 1999-2006 Standard & Poor's, a Division of The McGraw-Hill Companies, Inc All rights reserved. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau and are for convenience of reference only. Neither the District nor the Underwriter assumes responsibility for the accuracy of such numbers.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

Involvement of Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
COUNTY OF SAN MATEO
STATE OF CALIFORNIA

BOND and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

PAYING AGENT, TRANSFER AGENT, and BOND REGISTRAR

Treasurer-Tax Collector
San Mateo County, California

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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2006 General Obligation Bonds
(Election of 2005), Series B
(Current Interest Bonds and Capital Appreciation Bonds)

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery by the San Mateo County Community College District (the "**District**") of the bonds captioned above. All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Bond Resolution (as defined below).

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District provides community college educational services primarily to residents of the County of San Mateo, California (the "**County**"), located between San Francisco and Silicon Valley. The District was established in 1922, and operates three colleges: the College of San Mateo, Cañada College, and Skyline College. Combined, the three colleges of the District serve over 40,000 students annually and offer the first two years of college-level instruction in a wide variety of transfer programs as well as more than 90 vocational-technical programs. Students can earn either Associate in Arts or Science degrees or receive Certificates of Proficiency in their chosen fields. In addition, a Masters in Business Administration is offered by San Francisco State University at the Canada College campus. The District also operates a public television station, KCSM-TV Channel 60, which offers a variety of televised courses for credit each semester. Noncredit, short courses are offered for a fee through the Community Education Program. Each college is fully accredited by the Western Association of Schools and Colleges, the recognized local accrediting agency for the western United States, affiliated with the Federation of Regional Accrediting Commissions of Higher Education.

The District is governed by a six-member Board of Trustees, with five voting members elected at large by County voters for four-year terms and one nonvoting student member elected by students for a one-year term. The day-to-day operations are managed by the board-appointed Chancellor. Ron Galatolo has served in this position since May 2001.

* Preliminary; subject to change.

For additional information about the District, see "APPENDIX A - DISTRICT FINANCIAL AND DEMOGRAPHIC INFORMATION."

Description of the Bonds. The District is issuing the San Mateo County Community College District (San Mateo County, California) 2006 General Obligation Bonds, Election of 2005, Series B (the "**Bonds**").

The Bonds will be issued as current interest bonds (the "**Current Interest Bonds**") and capital appreciation bonds (the "**Capital Appreciation Bonds**").

The Current Interest Bonds will be dated their date of delivery (the "**Closing Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Current Interest Bonds will mature in the years indicated on the inside cover page hereof.

The Capital Appreciation Bonds will be dated the Dated Date, and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 Maturity Amount and any integral multiple thereof. The "**Maturity Amount**" of each Capital Appreciation Bond is equal to its accreted value ("**Accreted Value**"), being comprised of its original principal amount ("**Denominational Amount**") and the compounded interest thereon between the Closing Date and its respective maturity date.

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Bonds (the "**Beneficial Owners**") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "APPENDIX F – BOOK-ENTRY SYSTEM".

Redemption. The Bonds are subject to optional redemption prior to maturity as described in "THE BONDS - Redemption" herein.

Security for the Bonds. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS" herein.

Bond Insurance. Concurrently with issuance of the Bonds, ________________ (the "**Insurer**") will issue its Municipal Bond Insurance Policy (the "**Policy**") for the [Bonds] [Current Interest Bonds] [Capital Appreciation Bonds]. The Policy unconditionally guarantees the payment of [that portion of debt service on the Current Interest Bonds which has become due for payment but which is unpaid] [that portion of the accreted value of the Capital Appreciation Bonds which has become due for payment, but which is unpaid]. See "MUNICIPAL BOND INSURANCE" and "APPENDIX E – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Other Information. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from the District through the Office of the Chancellor, 3401 CSM Drive, San Mateo, CA 94402. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS

Authority for Issuance and Purpose of Issue

The Bonds are issued pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code of the State of California (the "**State**") and other applicable provisions of the Constitution and the law of the State. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District on November 8, 2006 (the "**Bond Resolution**").

At an election held on November 8, 2005, by a vote of more than 55% of the votes cast by eligible voters within the District, the District received authorization to issue bonds in an aggregate principal amount not to exceed $468,000,000 (the "**2005 Authorization**") to finance specific acquisition, construction and modernization projects approved by the voters, summarized as follows: to upgrade nursing, health career, science, computer, and biotechnology labs; improve accessibility for disabled students; make earthquake safety improvements; repair/modernize libraries, classrooms, and aging facilities; and other projects. The Bonds are the second series of bonds issued under the 2005 Authorization; the Board of the District previously issued one series of bonds under the 2005 Authorization (the $135,429,394.60 2006 General Obligation Bonds (Election of 2005), Series A), which are referred to in this Official Statement as the "**Series 2006A Bonds**".

As required by the 2005 Authorization, the District has established a Citizens' Oversight Committee to review District expenditures of bond proceeds and progress in completing the projects specified in the measure and to make periodic reports to the public in order to ensure that bond funds are spent only for those purposes.

Form and Registration

The Bonds will be issued in fully registered form only, without coupons. The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC Participant, and ownership interests in Bonds will be recorded as entries on the books of said Participants. Except in the event that use of this book-entry system is discontinued for the Bonds, Beneficial Owners will not receive physical certificates representing their ownership interests. See "APPENDIX F - BOOK-ENTRY SYSTEM."

Current Interest Bonds will be issued in denominations of $5,000 principal amount or integral multiples thereof.

Capital Appreciation Bonds will be issued in denominations of $5,000 accreted value, consisting of principal plus accumulated earned interest, at maturity ("**Maturity Amount**"), or integral multiples thereof.

Payment of Principal and Interest

Current Interest Bonds. The Current Interest Bonds will be dated as of the Closing Date and bear interest at the rates set forth on the inside cover page hereof, payable on March 1 and September 1 of each year, commencing on March 1, 2007 (each, a "**Bond Payment Date**"), computed using a year of 360 days comprising twelve 30-day months. Each Current Interest Bond will bear interest from the Bond Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of a Bond Payment Date, in which event it will bear interest from such date, or (ii) it is registered and authenticated prior to a Bond Payment Date and after the close of business on the fifteenth (15th) day of the month preceding such Bond Payment Date (the "**Record Date**"), in which event it will bear interest from such Bond Payment Date, or (iii) it is registered and authenticated prior to February 15, 2007, in which event it will bear interest from the Closing Date; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Bond Payment Date to which interest has previously been paid or made available for payment thereon.

The principal of the Current Interest Bonds is payable in lawful money of the United States of America upon the surrender thereof at the principal corporate trust office of the Paying Agent at the maturity thereof or upon redemption prior to maturity. Interest on the Current Interest Bonds, including the final interest payment upon maturity, is payable by check of the Paying Agent mailed on the Bond Payment Date via first-class mail to the Owner thereof at such Owner's address as it appears on the bond register maintained by the Paying Agent as of the Record Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Current Interest Bonds, by wire transfer. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment shall be made by wire transfer. See "APPENDIX F - BOOK-ENTRY SYSTEM."

Capital Appreciation Bonds. The Capital Appreciation Bonds will be dated as of the Closing Date. The Capital Appreciation Bonds will not bear current interest; instead, each Capital Appreciation Bond will increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance (as stated inside the front cover hereof) to its Maturity Amount on the date of maturity, as stated on the cover hereof. Interest commences to accrete on the date of delivery, and is compounded on each March 1 and September 1, commencing March 1, 2007. The Maturity Amount of any Capital Appreciation Bond at maturity will be payable by check mailed by first-class mail, in lawful money of the United States of America upon presentation and surrender of such Bond at the Principal Office of the Paying Agent.

The rate of interest at which a Capital Appreciation Bond's Maturity Amount is discounted to its initial principal amount is known as the "**Bond Yield**", and is stated inside the front cover hereof. For any Capital Appreciation Bond, the Accreted Value on any given Bond Payment Date prior to maturity may be calculated by discounting the Maturity Amount of the Bond from its maturity date to that Bond Payment Date at a discount rate equal to the Bond Yield, assuming a year of 360 days comprising twelve 30-day months. The Accreted Value on any other date may be calculated on the basis of a straight-line interpolation between the values calculated for the Bond Payment Dates immediately preceding and following the date in question.

See the Accreted Value Tables shown in Appendix G hereto, for the value per $5,000 of Maturity Amount for each Capital Appreciation Bond on each Bond Payment Date prior to maturity. See "TAX MATTERS" herein for Bond Counsel's discussion of the federal tax treatment of accreted interest on the Capital Appreciation Bonds.

Paying Agent

Initially, the Treasurer-Tax Collector of San Mateo County will act as the registrar, transfer agent, and paying agent (the "**Paying Agent**") for the Bonds. As long as The Depository Trust Company, New York, New York ("**DTC**") is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action covered by such notice. See "APPENDIX F – Book-Entry System."

The Paying Agent, the District, the County and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption

Optional Redemption. The Bonds that are Current Interest Bonds maturing on or before September 1, 20___, are not subject to redemption prior to their respective stated maturity dates. The Bonds that are Current Interest Bonds maturing on September 1, 20___, are subject to redemption prior to the stated maturity date, at the option of the District, from any source of available funds, as a whole or in part on any date on or after September 1, 20___, at the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date of redemption.

The Bonds that are Capital Appreciation Bonds are not subject to redemption prior to maturity.

Selection of Bonds for Redemption. If less than all of the Bonds that are Current Interest Bonds are called for redemption, such Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District). Whenever less than all of the Bonds that are Current Interest Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Bonds that are Current Interest Bonds of such maturity to be redeemed by lot or in such other manner as the Paying Agent shall determine.

Notice of Redemption. Notice of redemption will be given by the Paying Agent at the direction of the District not less than 30 nor more than 60 days prior to the redemption to the original purchaser of such Bonds, to a Securities Depository and to an Information Service that disseminates securities redemption notices, and to the District and to the County, and by registered or certified mail or personal delivery to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register of the Paying Agent.

Each notice of redemption will contain the following information: (a) that the Bonds that are Current Interest Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the Bonds must be submitted for redemption, descriptive information about the Bonds, including the dated date, interest rate and stated maturity date. Such notice will further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount or Maturity Amount of such Bond to be redeemed, together with interest accrued or accreted to said date, and redemption premium, if any, and that from and after such date interest with respect thereto will cease to accrue or accrete and be payable. Any such redemption notice may provide that redemption of such Bonds shall be conditioned upon receipt by the District of sufficient funds to redeem such Bonds on the proposed redemption date. The actual receipt by the Owner of any Bond or by any securities depository or information service of notice of redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as provided for in the Bond Resolution, and when the redemption price of the Bonds that are Current Interest Bonds called for redemption is set aside as required by the Bond Resolution, the Bonds that are Current Interest Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to monies on deposit for the purpose in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds that are Current Interest Bonds and that are redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Defeasance. The Bond Resolution provides that the District may pay any or all of the Bonds 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 Debt Service on Bonds Outstanding as and when the same become due and payable; (ii) by depositing with an escrow agent, in trust, at or before maturity, money or securities in the necessary amount to pay Bonds Outstanding and designated for defeasance; or (iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding and designated for defeasance. The money or securities deposited with the escrow agent as described in (ii) above will be: (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or (ii) United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest (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, knowledgeable in calculation of amounts necessary to defease municipal securities, delivered to the District, will provide money sufficient to pay the Debt Service on the Bonds to be paid, as such Debt Service becomes due; provided, in each case, that the Paying Agent or escrow agent will have been irrevocably instructed to apply such money to the payment of such Debt Service on such Bonds.

Continuing Disclosure

The District has covenanted in the Bond Resolution for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "**Annual Report**") by not later than eight months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2006-07 Fiscal Year (which is due no later than March 1, 2008), and to provide notices of the occurrence of certain enumerated events, if material. The District will file, or cause to be filed, the Annual Report with each Nationally Recognized Municipal Securities Information Repository, and with the appropriate State information depository, if any. The District will file, or cause to be filed, the notices of material events with the Municipal Securities Rulemaking Board (and with the appropriate State information depository, if any). The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District failed to file an Annual Report for Fiscal Year 2001-02 within eight months of the end of the fiscal year, as it was required to do. The District filed the 2001-02 Annual Report in October 2003, along with a material events notice regarding the delay in filing. The District timely filed its 2002-03, 2003-04 and 2004-05 Annual Reports.

DEBT SERVICE SCHEDULES

The following table shows the debt service schedules with respect to the Series 2006B Bonds and the Series 2006A Bonds, which were previously issued under the 2005 Authorization (assuming no optional redemptions).

Period Ending (September 1)	Series 2006A Annual Debt Service	Series 2006B Current Interest Bonds - Principal	Series 2006B Current Interest Bonds - Interest	Series 2006B Capital Appreciation Bonds – Debt Service[(1)]	Total Debt Service
2007	$ 13,347,693.58				
2008	15,066,137.50				
2009	7,506,737.50				
2010	7,824,137.50				
2011	8,159,537.50				
2012	6,666,562.50				
2013	7,475,000.00				
2014	7,749,000.00				
2015	7,540,000.00				
2016	7,860,000.00				
2017	8,195,000.00				
2018	8,550,000.00				
2019	8,925,000.00				
2020	9,310,000.00				
2021	9,720,000.00				
2022	10,155,000.00				
2023	10,605,000.00				
2024	11,080,000.00				
2025	11,575,000.00				
2026	12,100,000.00				
2027	12,645,000.00				
2028	13,220,000.00				
2029	13,830,000.00				
2030	14,465,000.00				
Total	$243,569,806.08				

[(1)] Maturity Amount

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

<u>Sources of Funds:</u>	
Principal Amount of Bonds	$
Plus Net Original Issue Premium	
Total Sources	$
<u>Uses of Funds:</u>	
Deposit to Bond Construction Fund	$
Deposit to Capitalized Interest Account(1)	
Costs of Issuance (2)	
Total Uses	$

____

(1) Represents an amount equal to interest on the Bonds through ______ (assuming interest earnings of ___%).

(2) Includes legal fees, Underwriter's discount, bond insurance premium, printing costs, rating agency fees and other miscellaneous expenses to be paid by the Underwriter. See "UNDERWRITING" herein.

SECURITY FOR THE BONDS

General

The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation as to rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Bonds are outstanding in an amount sufficient to pay the principal and interest on the Bonds when due. Such taxes, when collected, will be deposited into an interest and sinking fund for the Bonds (the "**Interest and Sinking Fund**"), which is maintained by the County and which is created by statute for the payment of principal of and interest on the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds and will maintain the Interest and Sinking Fund pledged to the repayment of the Bonds, the Bonds are not a debt of the County.

The monies in the Interest and Sinking Fund, to the extent necessary to pay the principal and interest on the Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent which, in turn, shall pay such monies to DTC to pay the principal and interest on the Bonds. DTC will thereupon make payments of principal and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and interest to the Beneficial Owners of the Bonds. See "APPENDIX F – BOOK-ENTRY SYSTEM."

The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy.

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "**secured**" or "**unsecured**" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector/Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the San Mateo County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2006-07.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use

	2006-07 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 309,772,035	0.27%	1,654	0.76%
Commercial/Office Building	15,418,433,371	13.39	6,799	3.11
Industrial	9,687,033,716	8.41	4,139	1.89
Recreational	230,934,762	0.20	581	0.27
Government/Social/Institutional	184,665,072	0.16	962	0.44
Miscellaneous	156,083,537	0.14	1,699	0.78
Subtotal Non-Residential	$25,986,922,493	22.57%	15,834	7.23%
Residential:				
Single Family Residence	$69,143,128,991	60.06%	162,023	74.01%
Condominium/Townhouse (2)	8,007,972,007	6.96	20,651	9.43
Mobile Home	25,696,801	0.02	943	0.43
Mobile Home Park	62,458,951	0.05	55	0.03
2-4 Residential Units	3,777,679,684	3.28	8,669	3.96
5+ Residential Units/Apartments	6,017,521,307	5.23	3,309	1.51
Vacant Residential	1,950,508,723	1.69	6,710	3.07
Subtotal Residential	$88,984,966,464	77.30%	202,360	92.44%
Unknown Use/Other Vacant	$151,750,033	0.13%	712	0.33%
Total	$115,123,638,990	100.00%	218,906	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
(2) Includes individual units and complexes.

Source: California Municipal Statistics, Inc.

Property within the District had a net taxable assessed valuation for fiscal year 2006-07 of $__________ (after deduction of the homeowners' exemption). Shown in the following table are the assessed valuations for the District for the past 10 fiscal years.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Assessed Valuation
Fiscal Year 1997-98 through Fiscal Year 2006-07

Fiscal Year	Local Secured	Utility	Unsecured	Total	Homeowners Exemption	Total After Homeowners Exemption
1997-98	$ 54,960,244,485	$ 78,120,641	$6,674,135,203	$ 61,712,500,329	$(975,940,140)	$ 60,736,560,189
1998-99	59,451,920,737	88,012,480	7,299,445,705	66,839,378,922	(982,953,768)	65,856,425,154
1999-00	64,875,361,630	57,245,892	7,644,046,404	72,576,653,926	(983,402,499)	71,593,251,427
2000-01	70,944,641,281	53,585,285	8,853,391,690	79,851,618,256	(972,612,679)	78,879,005,577
2001-02	79,744,378,147	103,941,193	9,938,435,870	89,786,755,210	(997,956,609)	88,788,798,601
2002-03	85,153,333,542	104,690,600	9,861,151,161	95,119,175,303	(949,405,604)	94,169,769,699
2003-04	90,759,073,054	69,942,479	9,616,097,519	100,445,113,052	(950,983,821)	99,494,129,231
2004-05	97,016,698,766	64,791,455	8,219,727,882	105,301,218,103	(938,488,524)	104,362,729,579
2005-06	105,189,522,587	57,356,941	7,801,256,721	113,048,136,249	(938,910,036)	112,109,226,213
2006-07	115,123,638,990	54,960,932	7,620,953,225	122,799,553,147	[to come]	[to come]

Source: California Municipal Statistics, Inc.

Property Tax Collections

The following table shows tax charges, collections and delinquencies for secured property in the County, the boundaries of which are coterminous with those of the District.

SAN MATEO COUNTY
Secured Tax Charges and Delinquencies
Fiscal Year 1999-00 through Fiscal Year 2005-06

Fiscal Year	Secured Tax Charge (1)	Amt. Del. June 30	% Del. June 30
1999-00	$761,904,979	$10,409,312	1.37%
2001-02	826,441,112	12,062,233	1.46
2002-03	998,854,988	14,923,008	1.49
2003-04	1,070,168,665	17,914,330	1.67
2004-05	1,162,358,892	14,112,182	1.21
2005-06	1,251,753,128	17,103,424	1.37

(1) All taxes collected by the County. Includes special charges.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - "Teeter Plan"

The Board of Supervisors of the County adopted in 1993 the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency, including the District, 100% of their allocable portion of secured property taxes on an accrual basis when due (regardless of actual collections). The County retains the penalties and interest associated with collection of any delinquent taxes.

The Teeter Plan may be terminated if the Board of Supervisors orders its discontinuance or if, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan were to be discontinued, secured property taxes actually collected would be allocated to political subdivisions for which the County acts as tax-levying or tax-collecting agency, including the District, when the secured property taxes were actually collected.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2006-07.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Largest Secured Taxpayers
Fiscal Year 2006-07

	Property Owner	Land Use	2006-07 Assessed Valuation	% of Total (1)
1.	Genentech Inc.	Industrial	$ 816,655,732	0.71%
2.	Oracle Corporation	Office Building	415,252,668	0.36
3.	Spieker Properties	Office Building	409,841,838	0.36
4.	Pacific Shores Investors	Office Building	325,084,856	0.28
5.	Wells REIT II-University Circle LP	Office Building	293,000,000	0.25
6.	Tyco Electronics Corp.	Industrial	247,882,522	0.22
7.	Westport Office Park LLC	Office Building	237,660,000	0.21
8.	Octopus Holdings LP	Residence	219,781,373	0.19
9.	Slough BTC LLC	Industrial	212,781,184	0.18
10.	Visa International Services / Visa Land Development I LP	Office Building	206,467,425	0.18
11.	BRE Properties Inc.	Apartments	190,809,252	0.17
12.	Sun Microsystems Inc.	Office Building	190,000,000	0.17
13.	Bohannon Development Co.	Shopping Center	183,857,570	0.16
14.	Selco Service Corporation	Office Building	176,009,347	0.15
15.	Franklin Templeton Corporate Services	Office Building	159,848,400	0.14
16.	Jefferson at Bay Meadows LP	Apartments	131,732,894	0.11
17.	Gilead Vintage Park LLC	Industrial	128,870,125	0.11
18.	Britannia Pointe Grand LP	Industrial	127,378,824	0.11
19.	Irvine Apartment Communities LP	Apartments	126,844,748	0.11
20.	Gateway Center LLC	Office Building	124,334,894	0.11
	Total:		$4,924,093,652	4.28%

(1) 2006-07 Local Secured Assessed Valuation: $115,123,638,990
Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated November 15, 2006. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of November 15, 2006

2006-07 Assessed Valuation:	$122,799,553,147
Redevelopment Incremental Valuation:	10,908,740,670
Adjusted Assessed Valuation:	$111,890,812,477

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	[Debt 12/1/06]	
San Mateo Community College District	**100. %**	**$ 330,294,800**	
Cabrillo Unified School District	100	23,296,263	
South San Francisco Unified School District	100.	36,825,170	
Jefferson and San Mateo Union High School Districts	100.	150,689,950	
Sequoia Union High School District	100.	194,200,000	
Jefferson School District	100.	54,899,890	
Redwood City School District	100.	58,933,952	
San Carlos School District	100.	53,193,665	
San Mateo-Foster City School District	100.	98,125,741	
Other School Districts	100.	205,797,082	
Cities	100.	69,130,000	
Estero Municipal Improvement District	100.	915,000	
Redwood City General Improvement District No. 1-64	100.	800,000	
Montara Sanitary District	100.	16,510,000	
Community Facilities Districts	100.	36,905,000	
1915 Act Special Assessment Bonds	100.	36,884,636	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,367,401,149	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
San Mateo County General Fund Obligations	100. %	$401,964,816	
San Mateo County Board of Education Certificates of Participation	100.	14,000,000	
San Mateo County Flood Control District Certificates of Participation	100.	24,320,000	
San Mateo Community College District Certificates of Participation	**100.**	**30,500,000**	(1)
San Mateo Union High School District Certificates of Participation	100.	34,605,000	
School District General Fund Obligations	100.	23,697,887	
City of Burlingame General Fund Obligations	100.	25,425,000	
City of Daly City General Fund and Pension Obligations	100.	39,865,000	
City of Redwood City General Fund Obligations	100.	24,675,000	
Other City General Fund Obligations	100.	84,521,012	
Midpeninsula Regional Open Space Park General Fund Obligations	31.199 (2)	33,840,056	
Granada Sanitary District Certificates of Participation	100.	751,000	
San Mateo County Mosquito Abatement District Certificates of Participation	100.	1,275,000	
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$739,439,771	
Less: City of Burlingame and Daly City self-supporting obligations		11,825,000	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$727,614,771	
GROSS COMBINED TOTAL DEBT		$2,106,840,920	(3)
NET COMBINED TOTAL DEBT		$2,095,015,920	

(1) Excludes issue to be sold.
(2) 2005-06 ratio.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2006-07 Assessed Valuation:
Direct Debt ($330,294,800).. 0.27%
Total Direct and Overlapping Tax and Assessment Debt........... 1.11%
Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($360,794,800) 0.32%
Gross Combined Total Debt... 1.88%
Net Combined Total Debt.. 1.87%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/06: $681

Source: California Municipal Statistics, Inc.

MUNICIPAL BOND INSURANCE

[to come from selected Bond Insurer]

APPLICATION OF PROCEEDS OF BONDS

Bond Construction Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof (in other words, exclusive of any net premium received from the Underwriter of the Bonds), shall be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the "Election of 2005, Series B San Mateo County Community College District Bond Construction Fund" (the "**Bond Construction Fund**"), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Bonds are being issued and for payment of permissible costs of issuance. Interest earnings on the investment of monies held in the Bond Construction Fund will be retained in the Bond Construction Fund. Any excess proceeds of the Bonds (including interest earnings) not needed for the purposes of the Bond Construction Fund, if any, will be applied to the payment of principal and interest on the Bonds, at the written direction of the District. If, after payment in full of the Bonds, there remain excess proceeds (or interest earnings), any such excess amounts will be transferred to the general fund of the District, pursuant to Section 15234 of the California Education Code.

Capitalized Interest Account

A portion of the net original issue premium will be deposited by the District in the Capitalized Interest Account of the Interest and Sinking Fund and used to pay interest on the Bonds through ______. Interest earnings on the investment of monies held in the Capitalized Interest Account will be retained in the Capitalized Interest Account.

Investment

Under California law, the District is generally required to pay all monies received from any source into the County Treasury to be held on behalf of the District. The Bond Resolution provides that the proceeds of the Bonds held by the County Treasurer under the Bond Resolution will be invested under the direction of and at the discretion of the County Treasurer.

The County expects to invest monies held in the Bond Construction Fund in its investment pool. See "COUNTY INVESTMENT POOL" herein for a description of the County's investment policy and a summary of its investment portfolio as of September 30, 2006.

COUNTY INVESTMENT POOL

The County has provided the following information with respect to its investment policy and its investment portfolio as of September 30, 2006.

Investment Policy. Decisions on the investment of funds in the Treasury Pool are made by the County Treasurer in accordance with established policy. Investment decisions are governed by California Government Code Sections 27000 et seq. and 53600, et. seq. and the Treasurer's Statement of Investment Policy dated January, 2006. The responsibility for managing the San Mateo County investment program resides with the Treasurer. The investment program is supervised within the guidelines set forth in the investment policy, developed by the Treasurer, reviewed and approved annually by the County Treasury Oversight Committee and the County Board of Supervisors. The Investment Policy adopted on January 1, 2006, reaffirmed the following criteria and order of priority for selecting investments:

1. Safety
2. Liquidity
3. Yield
4. Leverage
5. Public Trust

The Investment Policy specifies allowable instruments with limits of flexibility. The maximum allowable maturity of instruments in the County Pool at the time of investment is 15 years and the maximum dollar weighted average maturity of the fund is 5 years. The focus of the fund is on income and value in the yield curve.

Investment Report as of September 30, 2006. The Treasurer prepares a monthly report for the County Pool participants and members of the County Treasury Oversight Committee stating the type of investment, name of the issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund the report will list average maturity and the market value. In addition, the Treasurer prepares a quarterly cash flow report which sets forth projections for revenue inflows, and interest earnings as compared to the projections for the operating and capital outflows of depositors. This projection will be for at least the succeeding 12 months.

According to the Investment Report for the quarter ending September 30, 2006, the September 30, 2006 total cost of the securities in the Treasury Pool was approximately $2,092,179,433.28, and the corresponding market value (excluding accrued interest) was approximately $2,078,033,222.32. As of September 30, 2006, the average maturity of the securities in the Treasury Pool was 1.0 years.

The following table identifies the types of securities held by the Pool as of September 30, 2006.

Type of Investment	Carrying Value	Market Value (1)	% of Pool
Repurchase Agreements/Cash Equiv.	$650,683,962.20	$651,122,787.52	31.3%
Corporate Notes	488,705,621.77	487,917,242.14	23.5
U.S. Government Agencies	499,410,943.06	498,865,777.01	24.0
United States Treasuries	453,378,906.25	440,127,415.65	21.2
Total	650,683,962.20	651,122,787.52	31.3

(1) Excluding accrued interest.
Source: Tax Collector-Treasurer, County of San Mateo.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal (or accreted value) of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. The provisions of law discussed below are included in this section to describe the potential effect of Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes. It should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with all applicable laws.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied (i) to pay debt service on indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness and (iii) (as a result of an amendment to Article XIIIA contained in Proposition 39 (**"Proposition 39"**) approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition.. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed two percent per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the two percent inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. The "recapture" provision described above continues to be employed in determining the full cash value of property for property tax purposes.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Constitutional Appropriations Limitation

Article XIIIB (**"Article XIIIB"**) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government will be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it will be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it will be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Article XIIIB will not impact the District's ability to pay debt service on the Bonds.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

Proposition 218 does not affect the *ad valorem* property taxes to be levied by the County to pay debt service on the Bonds.

Proposition 62

A statutory initiative ("**Proposition 62**") was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the District be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on August 28, 1995, in *Santa Barbara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 62 does not affect the *ad valorem* property taxes to be levied by the County to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "**K-14 school districts**") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional monies would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State may not (i) reduce any local sales tax rates or alter the method of allocation, (ii) shift property taxes from local governments to schools or community colleges, (iii) make changes in how property tax revenues are shared among local governments without two-thirds approval of both houses of the State legislature and (iv) decrease Vehicle License Fees revenues without providing local governments with equal replacement funding. Beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if (i) the Governor proclaims that the shift is needed due to a severe financial hardship of the State, (ii) the State Legislature approves the shift with a two-thirds vote of both houses and (iii) certain other conditions are met. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with such mandates. This provision does not apply to mandates relating to schools, community colleges or to those mandates relating to employee rights.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 39, 62, 98 and 111 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

LEGAL OPINION

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel for the District. The form of the opinion of Bond Counsel to be delivered upon issuance of the Bonds is attached to this Official Statement as Appendix C. The San Mateo County Counsel will provide an opinion on certain matters on behalf of the District. Jones Hall, A Professional Law Corporation, San Francisco, California, is also acting as Disclosure Counsel to the District. Stradling, Yocca, Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Underwriter's Counsel.

Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the issuance and delivery of the Bonds.

TAX MATTERS

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 (the "**Code**") that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding Bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount is disregarded.

Under the Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of Premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

The proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

RATINGS

The scheduled payment when due of [the accreted value of the Capital Appreciation Bonds] [the principal of and interest on the Current Interest Bonds] will be guaranteed by the Policy to be issued concurrently with the delivery of the Bonds by the Insurer.

Standard & Poor's Ratings Services ("**S&P**") and Moody's Investors Services ("**Moody's**") are expected to assign their municipal bond ratings of "AAA" and "Aaa", respectively, to the Bonds with the understanding that upon delivery of the Bonds, the Policy will be issued by the Insurer.

S&P and Moody's have also issued underlying ratings on the Bonds of "___" and "___", respectively.

Rating agencies generally base their ratings on their own investigations, studies and assumptions. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement). The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings may be obtained only from the rating agencies at the following addresses: Standard & Poor's, 55 Water Street, 45th Floor, New York, NY 10041 and Moody's Investors Service, 99 Church Street, New York, NY 10007.

There is no assurance that any credit ratings given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by the rating agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Such ratings reflect only the views of such organization and an explanation of the significance of such rating may be obtained from such rating agencies.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. Incorporated (the "**Underwriter**") at a price of $__________, which is equal to the initial principal amount of the Bonds, plus net original issue premium of $_______, less an underwriter's discount of $________.

The purchase contract relating to the Bonds between the District and the Underwriter (the "**Purchase Contract**") provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution are a brief outline of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to the Bond Resolution itself. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the District.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ________________________________
Chancellor

APPENDIX A

DISTRICT FINANCIAL AND DEMOGRAPHIC INFORMATION

THE DISTRICT- GENERAL INFORMATION

General Information

The District provides community college educational services primarily to residents of the County of San Mateo, California, located between San Francisco and Silicon Valley. The District was established in 1922, and operates three Colleges: the College of San Mateo, Cañada College, and Skyline College. Combined, the three Colleges of the District serve over 40,000 students annually and offer the first two years of college-level instruction in a wide variety of transfer programs as well as more than 90 vocational-technical programs. Students can earn either Associate in Arts or Science degrees or receive Certificates of Proficiency in their chosen fields. In addition, a Masters in Business Administration is offered by San Francisco State University at the Canada College campus. The District also operates a public television station, KCSM-TV Channel 60, which offers a variety of televised courses for credit each semester. Noncredit, short courses are offered for a fee through the Community Education Program. Each college is fully accredited by the Western Association of Schools and Colleges, the recognized local accrediting agency for the western United States, affiliated with the Federation of Regional Accrediting Commissions of Higher Education.

Administration

The District is governed by a six-member Board of Trustees, with five voting members elected at large by County voters for four-year terms and one nonvoting student member elected by students for a one-year term. The day-to-day operations are managed by the board-appointed Chancellor. Ron Galatolo has served in this position since May 2001.

Current members of the Board of Trustees, together with their office and the date their term expires, are listed below:

Name	Position	Term Expires
Dave Mandelkern	President	2007
Helen Hausman	Vice President - Clerk	2009
Richard Holober	Trustee	2009
Patricia Miljanich	Trustee	2007
Karen Schwarz	Trustee	2007
Richael Young	Student Trustee	2007

THE DISTRICT- FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" herein.

Funding of District Operations

General. California community college districts derive income primarily from (1) State and local funding and (2) revenues generated from district operations. Operating revenues consist of tuition and fees, certain grants and contracts under which districts receive payments, and revenues from enterprise activities of districts. State and local funds consist of the districts' share of the 1% local *ad valorem* property tax authorized by the State Constitution, a special property tax source established in each county, consisting of transfers required by State law to be made from certain other local governments into the Education Revenue Augmentation Fund ("**ERAF**"), and direct State apportionment to districts pursuant to certain constitutional and statutory formulas (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" above), as well as lottery funds and certain categorical funding for State and federal programs.

Senate Bill No. 361. Effective October 1, 2006, Senate Bill No. 361 (**"SB 361"**) effected a change in the criteria and standards for making apportionments of State funding to community college districts, which, prior to October 1, 2006, was "program-based", and generally based on calculations related to the number of full-time equivalent students ("**FTES**") in attendance at each district.

SB 361 replaced program-based funding with new methodologies for allocating community college general fund apportionments and for determining budget requests, established a new category of non-credit courses as eligible for enhanced funding, and implemented the State of California's fiscal year 2006-07 Budget Act appropriations for equalization and non-credit instruction. The new methodologies include an annual allocation based on the number and size of colleges and comprehensive centers in the district, plus funding received based on the number of credit and non-credit FTES.

The District's fiscal year 2006-07 budget took into account the change in law effected by SB 361. As a result in this change, although the District expects to receive more funding per FTES in fiscal year 2006-07, the actual amount received by the District will not be significantly greater as a result of declining enrollment in fiscal year 2005-06.

Tax Shifts and Triple Flip. Assembly Bill No. 1755 ("**AB 1755**"), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required ERAF shift to $135 million. Legislation commonly referred to as the "**Triple Flip**," was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the

"Triple Flip", one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction are redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds were repaid, which is currently expected to occur in approximately 9 to 13 years.

Base Revenue Funding. Community college district budgeting begins each year with a calculation of a "**base revenue limit**" for each district. The base revenue limit is the minimum amount of funding that the community college district can expect to receive for its general unrestricted fund in that year, and is calculated based on its previous year allocation adjusted for enrollment growth and an inflation factor set in that year's state budget act. The total calculated base revenue limit is funded first from student enrollment fees, then from base local property taxes, then from ERAF funds. Direct State apportionment makes up the difference between these sources and a district's base revenue limit.

In fiscal years 1999-00 through 2003-04, the District received no direct State apportionment support because local property tax and student enrollment fees fully funded its base revenue limit. In fiscal year 2004-05, the District received almost $18 million in State general apportionment. In fiscal year 2005-06, the District received over $28 million in State general apportionment. In its 2006-07 Budget, the District budgeted to receive $30.6 million in State general apportionment.

Additional Revenues. The District's unrestricted general fund revenues for fiscal year 2005-06 were $106,151,800, of which $92,599,562 (approximately $5,448 per unit of FTES) was base revenue. In its fiscal year 2006-07 adopted budget, the District anticipates unrestricted general fund revenues of $103,717,741, of which $94,901,976 (approximately $4,954 per unit of FTES) is expected to be base revenue. The balance of the District's general fund revenues in each fiscal year is derived from direct State apportionment, lottery income, non-resident tuition, special purpose apportionments, interest, and miscellaneous other sources. Lottery funds, which are distributed to schools and colleges proportional to their total enrollment, are estimated to be $2,400,000, or about 2.3% of fiscal year 2006-07 general fund revenue. Lottery funds must be used for the education of students and may not be used for acquisition of real property, the construction of facilities or the financing of research.

The District's other funds consist of enterprise funds, such as revenues from the District's bookstore and cafeteria operations, rental income, tax-increment funds received from local redevelopment projects, non-resident tuition, interest earnings and miscellaneous other sources.

The District's restricted general fund revenues for Fiscal Year 2005-06 were $20,262,460. Fiscal year 2006-07 restricted general fund revenues are budgeted at $25,697,698. A portion of the District's restricted general fund revenues comes from State funding earmarked for specific categorical programs. The volume and allocation of categorical funding is subject to the discretion of the State legislature and the District's continued qualification for each such program. The District experienced funding reductions to a variety of categorical programs in fiscal years 2004-05 and 2005-06; some of the reduced amounts were restored in fiscal year 2006-07. The District cannot predict how State funding of categorical programs will vary in the future.

Local Property Taxation. Property tax levy and collection procedures are discussed in the main body of the Official Statement under the heading "SECURITY FOR THE BONDS" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS ".

The table below shows the District's program-based funding per unit of full-time equivalent students ("**FTES**") and program-based funding total over the five-year period of 2002-03 through 2005-06, as reported in the District's Second Principal Apportionment. Fiscal Year 2006-07 reflects the new funding per unit of FTES reflected in SB 361 described above.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Program-Based Funding
Fiscal Years 2002-03 through 2006-07

Fiscal Year	Program-Based Funding per Unit of FTES	Funded FTES
2002-03	$ 3,729	20,430.66
2003-04	3,916	19,752.18
2004-05	3,923	21,587.14
2005-06	5,178	17,037.71
2006-07 (1)	4,850	19,564.00

(1) Estimated based on new SB361 funding formulas.
Source: San Mateo County Community College District.

The State budget for 2006-07 included a decrease in student enrollment fees (from $26 per unit to $20 per unit), effective with Spring 2007.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Note 1, Section B of "APPENDIX B - Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2005" attached hereto.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

Financial Statements

The District's Audited Financial Statements for fiscal year 2003-04 and 2004-05 were prepared by Vavrinek, Trine, Day & Co., LLP, Pleasanton, California and are attached as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Chancellor's Office. The District expects its audited financial statements for fiscal year 2005-06 to be available in December 2006 and to distribute them as part of its March 1, 2007 continuing disclosure report for the Series 2006A Bonds.

The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in the Official Statement.

The following table shows the audited income and expense statements for the District for the 2002-03 through 2004-05 fiscal years, the unaudited income and expense statements for the District for fiscal year 2005-06, and budgeted figures for fiscal year 2006-07.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Summary of Unrestricted General Fund
Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2002-03 through 2004-05 (Audited), Fiscal Year 2005-06 (Unaudited) and Fiscal Year 2006-07 (Budgeted)

	Audited 2002-03[1]	Audited 2003-04[1]	Audited 2004-05[1]	Unaudited 2005-06	Budgeted 2006-07
Revenues/Receipts					
Federal Revenue	$ 1,254	$ 0	$ 1,106	$ 455	$ 0
State Revenue	12,720,632	11,304,675	22,967,579	39,849,002 [3]	38,395,173
Local Revenue	78,967,719	78,372,924	69,420,270	66,302,343	65,322,567
Total Revenues	91,689,605	89,677,599	92,388,955	106,151,800	103,717,741
Expenditures/Disbursements					
Certificated Salaries	40,610,733	37,383,771	39,149,047	41,341,359	44,040,935
Classified Salaries	20,437,641	18,855,139	19,361,862	20,782,987	23,017,830
Employee Benefits	17,692,596	18,415,256	20,690,600	20,248,374	22,570,663
Books and Supplies [2]	1,066,729	1,082,808	1,761,041	1,420,460	3,534,676
Services and Other Oper. Expend. [2]	8,802,464	8,303,099	8,203,128	8,593,926	13,123,081
Capital outlay	562,467	508,868	415,886	264,783	320,045
Total	89,172,630	84,548,941	89,581,564	92,651,889	106,607,230
Excess of Revenues Over/(Under) Expenditures	2,516,975	5,128,658	2,807,391	13,499,911	(2,889,489)
Other Sources (Uses)					
Transfers In/Other Sources	-	4,054	55,000	78,404	-
Transfers Out	(2,811,018)	(4,814,593)	(2,949,407)	(13,150,713)	(2,926,115)
Contingency	-	-	66,817	-	23,276
Other Uses	(383)	(2,895)	(109)	(475,283)	-
Total	(2,811,401)	(4,813,434)	(2,827,699)	(13,547,592)	(2,902,839)
Excess of Revenues and Other Financings Sources Over/(Under)	(294,426)	315,224	(20,308)	(47,680)	(5,792,328)
Fund Balance, July 1	9,926,896	9,632,470	9,947,694	9,927,386	9,879,705
Fund Balance, June 30	9,632,470	9,947,694	9,927,386	9,879,705	4,087,377[4]

(1) Excerpted from a supplement to the District's audited financial statements. Information on the District's unrestricted general fund is not required under the accounting standards of GASB No. 34.
(2) The budgeted amount for fiscal year 2006-07 includes amounts budgeted but not expended in fiscal year 2005-06.
(3) Increase attributable to a reduction in the availability of ERAF revenues and an increase in State funds as a result of AB 1755 and the triple-flip described above.
(4) Does no include carry-forward amounts.

Sources: San Mateo County Community College District Audit Reports for fiscal years 2002-03 through 2004-05; District for fiscal year 2005-06 unaudited results; District's Final Budget Report for fiscal year 2006-07.

Budget Process

In October of each year the District begins its budgetary process for the following year. The District prepares a preliminary budget by June 30 of each year for the upcoming fiscal year. By September 15 of each year, the Board of Trustees formally adopts the budget for the then-current fiscal year, as required under Section 58305 of the California Code of Regulations, Title V. Once adopted, the budget may be amended throughout the fiscal year as the District's financial circumstances change.

District Debt

Short-Term Borrowing. The District normally issues tax and revenue anticipation notes each year in order to provide working capital during periods of the year when local taxes have yet to be collected. Local taxes are generally distributed to the District in December and April, while expenditures tend to occur more evenly throughout the year.

On July 6, 2006 the District issued $10,000,000 in tax and revenue anticipation notes. The notes mature on July 6, 2007 and have a 3.5% interest rate. The repayment requirements are that 40% of the principal and interest be deposited with the fiscal agent in February 2007, 10% in March, 10% in April and the remaining 40% in May 2007.

Long-term Borrowing. In June 2002, the District issued its 2002 General Obligation Bonds (Election of 2001), Series A in the amount of $96,875,612.95. The Series 2001A Bonds include both current interest bonds and capital appreciation bonds. As of December 1, 2006, the outstanding principal amount and accreted value was $90,759,633.35.

In February 2005, the District issued its 2005 General Obligation Bonds (Election of 2001), Series B in the amount of $69,995,612.40. The Series 2001B Bonds include both current interest bonds and capital appreciation bonds. As of December 1, 2006, the outstanding principal amount and accreted value was $70,991,451.53.

In April 2006, the District issued its 2006 General Obligation Bonds (Election of 2001), Series C in the amount of $40,124,660.45. The Series 2001C Bonds include both current interest bonds and capital appreciation bonds. As of December 1, 2006, the outstanding principal amount and accreted value was $40,884,290.25.

In April 2006, the District also issued its 2006 General Obligation Bonds (Election of 2005), Series A in the amount of $135,429,394.60. The Series 2006A Bonds include both current interest bonds and capital appreciation bonds. As of December 1, 2006, the outstanding principal amount and accreted value was $137,575,123.03.

Employee Relations

The District is a party to three collective bargaining agreements, one with each of its units: American Federation of Teachers (AFT); American Federation of State, County and Municipal Employees (AFSCME); and California School Employees Association (CSEA). These agreements currently include multi-year compensation adjustments for all employees, including a 3.23% salary increase (plus 1% for medical cap) for all employees for fiscal year 2005-06 and a 4.92% salary increase (plus 1% for medical cap) for all employees in fiscal year 2006-07. In fiscal year 2007-08 and 2008-09, salary adjustments are currently projected to be 3% (plus 1% for medical cap) for all employees except faculty, who negotiated a cost of living percentage matching the state COLA, which is unknown at this time. The agreements with AFSCME and CSEA expire on June 30, 2010, and with AFT on June 30, 2009.

District Retirement Systems

For the benefit of faculty and some administrators, the District participates in the California State Teacher's Retirement System ("**STRS**"), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State law. The actuarial methods and assumptions used for determining the rate are those adopted by STRS Teacher’s Retirement Board. The required employer contribution rate for 2005-06 was 8.25% of annual payroll. The District’s contributions to STRS for fiscal years 2004-05 and 2005-06 were $2,986,039 and $3,010,591, respectively, and the District has budgeted $3,033,029 for fiscal year 2006-07.

For all other employees, the District participates in the State of California Public Employees' Retirement System ("**PERS**"), an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Employees are eligible for retirement as early as age 50 with five years of service. The Public Employees’ Retirement Law (Part 3 of the California Government Code, Section 20000 et seq.) establishes benefit provisions for PERS. Active plan members are required to contribute 7% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the PERS Board of Administration. The District’s contributions to PERS for fiscal years 2004-05 and 2005-06 were $2,511,809 and $2,462,338, respectively, and the District has budgeted $2,721,313 for fiscal year 2006-07.

Post-Employment Benefits

The District provides medical, dental and vision insurance coverage to retirees meeting plan eligibility requirements. Employees participating in the STRS plan are eligible at a minimum age of 60 with five years of service or at age 50 with 30 years service. Employees participating in the PERS plan are eligible at a minimum age of 55 and a minimum ten years service. The District also has minimum continuous service requirements for retirement that range from three years to ten years. Beginning in 1992, the District capped post-employment benefits offered by the District in order to reduce future liability. During the 2005-06 fiscal year, the District provided insurance premium benefits to 670 retired employees with total expenditures of $5,400,362.

The District previously retained Milliman USA to complete an actuarial analysis of retiree health benefit liability as of July 1, 2001. Milliman estimated the District's unfunded liability for post-employment benefits as of July 1, 2001 was $71,967,000; the estimate was based on certain assumptions, including the rate of increase of medical costs, which, if incorrect, could result in an underestimation of the District's liability. The District believes that amount has grown since July 2001. The District has created an Expendable Trust Fund (which is not irrevocable for this purpose) for post-employment medical benefits. The District contributes $1.5 million per year and there was a $24.2 million balance in the fund as of June 30, 2006 and the District projects that there will be a $28 million balance in the fund as of June 30, 2007. With the implementation of GASB 45, the District has contracted with Total Compensation Services, Inc. for an actuarial study to determine the current value of the unfunded liability in fiscal year 2006-07. This study should be completed by December 31, 2006.

Joint Powers Arrangements for Insurance

The District maintains insurance of various types, including employee vision, health and dental benefits, a workers' compensation plan and property casualty and liability insurance.

Workers' Compensation. The District maintains self insured retention up to $350,000. The coverage up to $750,000 is obtained from SUA (Specialty Underwriters Alliance Insurance Company). The excess coverage above $750,000 is obtained from Continental Casualty Company.

Dental Insurance. The District obtains dental insurance from the San Mateo County Schools Insurance Group. Dental insurance premiums increased by 2% in January 2006.

Health Insurance. The District obtains health insurance from PERS. Health care premiums increased by an average of 18% in January 2004, 18% in January 2005 and 9.5% in January 2006.

Property casualty and liability insurance. The District maintains property and liability risk coverage up to $15 million per occurrence with a self-insured retention of $150,000. Property and liability insurance coverage is underwritten by Travelers Property Casualty Company, Ace Ina Excess and Surplus Lines Insurance, Inc. and SELF (School Excess Liability Fund).

The District is a member of SMCSIG (San Mateo County Schools Insurance Group) for providing dental and health insurance coverage. These joint powers arrangements are described further in "APPENDIX B – Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2005".

THE DISTRICT - GENERAL DEMOGRAPHIC INFORMATION

The District's boundaries are coterminous with those of San Mateo County. This section provides certain information about the economy and demographic trends in the County. However, no revenues of the County or taxes on economic activity in the County are pledged to payment of the Bonds. The Bonds are payable from an ad valorem property tax required to be levied on all taxable property in the County in an amount sufficient to pay all principal and interest as the same come due.

Population

The County has experienced moderate but consistent population growth since 1970. The United States Census Bureau reports that between 1980 and 1990 the County grew by approximately 62,000 residents, or 10.6%, and between 1990 and 2000 the County grew by approximately 57,540 residents, or approximately 8.9%. Over the 40 years since 1970, the County's average annual growth rate has been approximately 1%. The following table shows population data for the cities in the County during the past five years.

SAN MATEO COUNTY
Population Estimates

	2002	2003	2004	2005	2006
Atherton	7,193	7,203	7,236	7,227	7,262
Belmont	25,152	25,357	25,321	25,364	25,648
Brisbane	3,642	3,641	3,669	3,710	3,744
Burlingame	28,297	28,214	28,171	28,162	28,322
Colma	1,196	1,193	1,293	1,560	1,575
Daly City	103,982	104,141	104,167	104,223	104,820
East Palo Alto	31,834	31,661	31,791	32,057	32,083
Foster City	28,803	29,780	29,720	29,749	29,900
Half Moon Bay	12,122	12,270	12,354	12,639	12,739
Hillsborough	10,929	10,945	10,946	10,937	10,965
Menlo Park	30,921	30,751	30,651	30,520	30,750
Millbrae	20,729	20,682	20,644	20,622	20,735
Pacifica	38,595	38,548	38,518	38,515	38,739
Portola Valley	4,489	4,488	4,521	4,520	4,553
Redwood City	76,014	75,865	75,747	75,671	76,087
San Bruno	40,166	40,903	40,860	41,272	41,515
San Carlos	27,777	27,723	27,906	28,071	28,265
San Mateo	93,670	93,533	93,853	93,818	94,315
South San Francisco	60,728	60,767	60,912	61,400	61,824
Woodside	5,366	5,353	5,452	5,474	5,507
Unincorporated	63,302	63,691	64,043	64,144	64,756
County Total	714,907	716,709	717,775	719,655	724,104

Source: California State Department of Finance, Demographic Research Unit.

Employment

The unemployment rate in San Mateo County was 3.8 percent in August 2006, down from a revised 4.1 percent in July 2006, and below the year-ago estimate of 4.4 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 4.7 percent for the nation during the same period.

The following table summarizes the civilian labor force, employment and unemployment in the County for the calendar years 2001 through 2005.

SAN MATEO COUNTY

Civilian Labor Force, Employment and Unemployment (Annual Averages)

	2001	2002	2003	2004	2005
Civilian Labor Force [(1)]	392,800	379,500	369,900	364,500	363,800
Employment	377,700	357,700	348,000	346,400	348,100
Unemployment	15,100	21,800	21,900	18,100	15,700
Unemployment Rate	3.8%	5.7%	5.9%	5.0%	4.3%
Wage and Salary Employment: [(2)]					
Agriculture	2,900	2,700	2,600	2,200	2,000
Natural Resources, Mining, Construction	19,700	19,000	18,000	17,800	16,300
Manufacturing	34,800	31,000	29,000	29,100	28,700
Wholesale Trade	14,400	13,500	12,100	11,600	11,700
Retail Trade	39,600	37,700	36,800	35,800	35,900
Trans., Warehousing, Utilities	34,400	29,300	27,800	28,200	27,400
Information	26,100	23,300	22,500	21,100	20,600
Financial and Insurance	16,300	15,100	14,300	14,500	14,600
Real Estate, Rental & Leasing	7,600	6,900	6,900	6,600	6,600
Professional and Business Services	71,000	59,300	55,200	57,000	59,300
Educational and Health Services	29,100	30,000	30,100	30,200	30,500
Leisure and Hospitality	30,900	30,800	30,300	30,700	31,400
Other Services	10,800	11,800	11,400	11,000	11,000
Federal Government	4,500	4,600	4,600	4,500	4,300
State Government	800	800	700	600	600
Local Government	27,600	28,200	27,400	27,000	27,100
Total All Industries	370,600	344,000	329,400	327,800	328,000

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

The following table lists the twenty largest employers within the County as of August 2004.

SAN MATEO COUNTY
Twenty Largest Employers
As of August 2004
[County please update if available- requested update 10.30.06]

Employer	Type of Business	No. of San Mateo County Employees
United Airlines	Airline	10,933
Oracle Corporation	Software	7,000
County of San Mateo	Government	5,633
Genentech Inc.	Biotechnology	5,120
Kaiser Permanente	Healthcare	3,494
Applied Biosystems	Biotechnology	2,640
Mills-Peninsula Health Services	Hospital	2,470
Safeway Inc.	Supermarkets	2,145
United States Postal Service	Postal Service	1,853
Electronic Arts	Interactive Entertainment	1,750
The Gap Inc.	Retail	1,679
Siebel Systems	Software	1,550
Stanford Linear Accelerator	Research	1,519
San Francisco International Airport	Airport	1,315
SRI International	Research and Development	1,300
Catholic Healthcare West	Health Care	1,213
Franklin Templeton Investments	Investment Management	1,200
Sams Trans District	Public Transit	750
PG&E	Utilities	725

Source: County of San Mateo.

Commercial Activity

Total taxable transactions reported in the County in the first three quarters of 2005 were reported to be $9,122,311,000, a 5.9% increase over the total taxable transactions of $8,616,652,000 reported during the first three quarters of 2004. Annual figures are not yet available for calendar year 2005. A summary of historic taxable sales within the County is shown in the following table. Annual figures are not yet available for 2005.

SAN MATEO COUNTY
Taxable Retail Sales
Number of Permits[(1)] and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores			Total All Outlets		
	Number of Permits	Taxable Transactions	% Change	Number of Permits	Taxable Transactions	% Change
2000	7,392	$8,596,944	--	21,173	$14,044,016	--
2001	7,813	8,215,567	-4.4%	21,287	12,859,589	-8.4%
2002	7,982	7,700,365	-6.3%	21,101	11,614,809	-9.7%
2003	8,681	7,701,536	0.0%	21,531	11,358,439	-2.2%
2004	8,795	8,088,935	5.0%	21,475	11,808,074	4.0%

(1) A sales tax permit is required for each place of business operated by manufacturers, wholesalers and retailers of tangible personal property.

Source: State Board of Equalization.

Median Effective Buying Income

Effective buying income ("**EBI**") is designated by Sales and Marketing Management Magazine as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, non-tax payments such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis. The following table demonstrates the growth in annual estimated EBI for the County, the State of California and the United States.

SAN MATEO COUNTY
Median Effective Buying Income
As of January 1, 2000 through 2004

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2000	County of San Mateo	$ 20,511,353	$65,565
	California	652,190,282	44,464
	United States	5,230,824,904	39,129
2001	County of San Mateo	$ 21,193,515	$64,766
	California	650,521,407	43,532
	United States	5,303,481,498	38,365
2002	County of San Mateo	$ 20,903,988	$60,071
	California	647,879,427	42,484
	United States	5,340,682,818	38,035
2003	County of San Mateo	$ 21,239,098	$60,516
	California	674,721,020	42,924
	United States	5,466,880,008	38,201
2004	County of San Mateo	$ 21,344,165	$59,703
	California	705,108,410	43,915
	United States	5,692,909,567	39,324

Source: Sales & Marketing Management Survey of Buying Power.

Construction Activity

Building activity for the calendar years 2001 through 2005 in the County is shown in the following table.

SAN MATEO COUNTY
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2001	2002	2003	2004	2005
Permit Valuation					
New Single-family	$234,590.9	$267,726.9	$257,900.5	$281,408.5	$216,141.5
New Multi-family	83,237.9	97,883.9	86,888.5	48,006.1	65,456.5
Res. Alterations/Additions	197,900.1	221,181.8	265,316.3	272,003.4	282,584.2
Total Residential	515,728.9	586,792.6	610,105.2	601,418.0	564,182.2
New Commercial	362,812.6	185,884.1	14,480.6	131,711.8	62,355.2
New Industrial	29,624.3	12,420.5	0.0	5,540.5	50,701.3
New Other	31,456.6	76,717.2	52,573.6	53,168.3	60,458.8
Com. Alterations/Additions	215,062.2	241,587.7	168,496.5	199,460.3	229,201.0
Total Nonresidential	638,955.8	516,609.5	235,550.7	389,880.9	402,716.3
New Dwelling Units					
Single Family	722	653	735	633	427
Multiple Family	719	770	569	478	465
TOTAL	1,441	1,423	1,304	1,111	892

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

San Francisco International Airport (the "**Airport**") is located in an unincorporated area of the County and is owned and operated by the City and County of San Francisco. According to the Airports Council International, it is the fourteenth busiest airport in the nation in terms of passenger volume. The Airport Commission reports that air traffic at the Airport in calendar year 2005 included over 32.7 million passengers served by 55 different airlines.

The Port of Redwood City is also located in the County. The Port has a deep-water channel and handles bulk cargo including lumber and scrap metal.

The County is connected to downtown San Francisco, the Airport, and the East Bay by the San Francisco Bay Area Rapid Transit ("**BART**") District.

The County is also served by CalTrain, a commuter rail service between San Jose and San Francisco, running along the Southern Pacific right-of-way.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEARS ENDED JUNE 30, 2005 AND JUNE 30, 2004

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

December __, 2006

Board of Trustees
San Mateo County Community College District
3401 CSM Drive
San Mateo, CA 94402

OPINION: $___________ San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B

Members of the Board of Trustees:

We have acted as bond counsel to the San Mateo County Community College District (the "District") in connection with the issuance by the District of the $__________ San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B (the "Bonds"), pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and a resolution of the Board of Trustees of the District adopted on November 8, 2006 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Resolution and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing community college district with the power to issue the Bonds and to perform its obligations under the Resolution and the Bonds.

2. The Resolution was duly adopted by the Board of Trustees of the District, and constitutes a valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Act, the Resolution creates a valid lien on funds pledged by the Resolution for the security of the Bonds.

4. The Board of Supervisors of San Mateo County has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount.

5. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding general obligations of the District.

6. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be excluded from gross income for federal tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Mateo County Community College District (the "District") in connection with the issuance of the $____________ aggregate principal amount of San Mateo County Community College District 2006 General Obligation Bonds (Election of 2005), Series B (the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Bond Resolution") adopted by the Board of Trustees of the District on November 8, 2006. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"CPO" means the Internet-based filing system currently located at www.DisclosureUSA.org, or such other similar filing system approved by the Securities and Exchange Commission.

"Dissemination Agent" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth at http://www.sec.gov/info/municipal/nrmsir.htm.

"Participating Underwriter" shall mean Morgan Stanley & Co. Incorporated, or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of California as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission, as listed at http://www.sec.gov/info/municipal/nrmsir/htm.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent, not later than eight months after the end of the District's fiscal year (currently ending June 30), to provide to the Participating Underwriter and to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The reporting obligation shall commence with respect to the 2005-06 fiscal year with the initial report to be filed no later than March 1, 2007; *provided, however*, that if the audited financial statements of the District for the 2005-06 fiscal year have been included in the final official statement relating to the Bonds, then the reporting obligation shall commence with respect to the 2006-07 Fiscal Year and the initial Annual Report shall be filed not later than March 1, 2008), The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the District shall send a notice to (i) the Municipal Securities Rulemaking Board or each National Repository and (ii) the applicable State Repository, if any, in substantially the form attached as Exhibit A. In lieu of filing the notice with each Repository, the District or the Dissemination Agent may file such notice with the CPO.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

(d) In lieu of filing the Annual Report with each Repository in accordance with the preceding paragraph (c), the District or the Dissemination Agent may file such Annual Report solely with the CPO.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

- Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Board of Governors of the California Community Colleges. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- The District's approved annual budget or a summary thereof for the then-current fiscal year.

- District outstanding debt.

- Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.

- Information regarding (i) total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County and (ii) any decision by the County of San Mateo to eliminate the Teeter Plan.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies.

2. non-payment related defaults.

3. modifications to rights of Holders.

4. optional, contingent or unscheduled bond calls.

5. defeasances.

6. rating changes.

7. adverse tax opinions or events affecting the tax-exempt status of the Bonds.

8. unscheduled draws on the debt service reserves reflecting financial difficulties.

9. unscheduled draws on the credit enhancements reflecting financial difficulties.

10. substitution of the credit or liquidity providers or their failure to perform.

11. release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with (i) each National Repository or with the Municipal Securities Rulemaking Board, and (ii) with the applicable State Repository (if any). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Bond Resolution.

In lieu of filing the notice of Listed Event with each Repository in accordance with the preceding paragraph, the District or the Dissemination Agent may file such notice of a Listed Event with the CPO.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of San Mateo or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ________, 2006.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

[Form Only – Not for Signature]

EXHIBIT A

FORM OF NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of District: SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: SAN

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT 2006 GENERAL OBLIGATION BONDS (ELECTION OF 2005), SERIES B

Date of Issuance: ____________, 2006

NOTICE IS HEREBY GIVEN to [(i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository] [the CPO and the Municipal Securities Rulemaking Board] that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by ______________.]

Dated:_______________

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

____

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

APPENDIX F

BOOK-ENTRY SYSTEM

Book-Entry Only System

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

*The following description of DTC, the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. Neither the issuer of the Bonds (the "***Issuer***") nor the trustee, paying agent or fiscal agent appointed with respect to the Bonds (the "***Trustee***") take any responsibility for the information contained in this Appendix.*

No assurances can be given that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC and its Participants.

The Depository Trust Company ("**DTC**"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Book-Entry Only System.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest evidenced by the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Issuer or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest evidenced by the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

APPENDIX G

ACCRETED VALUE TABLES

San Mateo County Community College District November 8, 2006

BOARD REPORT NO. 06-11-101B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Linda da Silva
Executive Director, Construction Planning & Facilities Transition, 358-6726

ADOPTION OF RESOLUTION NO. 06-19
AUTHORIZING USE OF DESIGN-BUILD PROJECT DELIVERY METHOD

Education Code §81700 (AB 1000) requires that the Board adopt a resolution authorizing use of the design-build project delivery method prior to completing the State-sanctioned prequalification process and issuing Requests for Proposals to prequalified design-build entities for projects.

In November 2002 (no written report) and March 2003 (Board Report No. 03-3-6C, attached) a presentation was made to the Board on the various construction delivery methods available to the District, including design-build. Advantages of the design-build construction method include:

- It establishes a single point of contact for both design and construction because the architects and engineering consultants work for the design/build entity.
- It shifts risk to the design/build entity for errors and omissions in drawings and for associated construction costs.
- It allows early involvement during the design phase by the builder, i.e., it "adds construction practicality to design imagination."
- It produces a compressed time schedule as a result of phased permitting approvals.
- The design/build entity negotiates subcontracts and, because it has a continuing relationship with the subcontractors, the subcontractors are often more reliable.
- It allows the District to negotiate a guaranteed maximum price for the finished project early in the process, and produces lower project costs for the District.

In August 2003 (Board Report No. 03-8-4CA), the Board passed a resolution authorizing use of the design-build delivery method for the College of San Mateo Science Building 36, the Skyline College Student Support & Community Services Center, and Districtwide Athletic Facilities Improvements. Those three projects are now nearing completion, and the District's experience in this delivery method has been very satisfying. The advantages delineated above were achieved, and the projects will be completed in a shorter period of time than had another delivery method been used.

In August 2006 the Board approved the 2006 Facilities Master Plan (Board Report No. 06-08-101B), which will be the basis of the second phase of the capital improvement program (CIP2). District staff have been conducting strategic planning sessions on the CIP2 implementation plan, and have identified design-build as the preferred delivery method for the following projects:

College of San Mateo CIP2 Design Build Project

- Demolition of Buildings 5, 6, 10, 11, 15, 17, and 21 through 29
- Construction of a new Building 10 (Student Center)
- Construction of a new Building 5 (Wellness/Workforce/Aquatic Center)
- Construction of a new Building 17 (Faculty Center)
- Demolition and reconstruction of a new Building 1 (Instruction Building), or renovation and expansion of the existing Building 1
- Landmark Entries, Pedestrian and Vehicular Circulation, and Landscaping Improvements

Skyline College CIP2 Design Build Project

- Demolition of Buildings 3A-E, 4, 16 and Pacific Heights School
- Construction of a new Multicultural/Administration/Instruction Building
- Construction of a new Cosmetology/Wellness/Athletic Center
- Construction of a new Automotive Technology Transmission Building
- Demolition of the Loma Chica School and construction of a new Child Development Center, or renovation of the Loma Chica School to house the Child Development Center and other programs
- Landmark Entries, Pedestrian and Vehicular Circulation, and Landscaping Improvements

These two projects are comprised of multiple new buildings, as well as significant exterior areas of each campus. Design-build is the preferred delivery method for these projects because the District can partner with the design-build entities early in the design process to identify sequencing, campus safety logistics, swing space strategies, incorporation of the Board of Trustees' goals for the Capital Improvement Program, holistic campus exterior solutions, and accelerated schedules. Because these two projects comprise the major portions of CIP2 for College of San Mateo and Skyline College, College and District staff can focus on solutions, rather than expending time and energy on coordination efforts that would be required if the scopes of these two projects were separated into individual projects. In addition, by entering into design-build contracts for these two large projects early in the overall CIP2 timeline, the District can incorporate cost containment strategies, allowing for more certainty in planning the remaining CIP2 projects.

RECOMMENDATION

It is recommended that the Board adopt Resolution No. 06-19, authorizing use of design-build delivery for the College of San Mateo CIP2 Design Build Project and the Skyline College CIP2 Design Build Project.

San Mateo County Community College District

March 26, 2003

APPROVED
BOARD OF TRUSTEES

RON GALATOLO

DATE..............................

BOARD REPORT NO. 03-3-6C

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: José D. Nuñez, Executive Director, Facilities Planning & Operations, 358-6836

REPORT ON USE OF DESIGN/BUILD DELIVERY METHOD

In November 2002, a presentation was made to the Board on the various construction delivery methods available to the District, including design/build. Design/build enables the quickest delivery of capital projects, with time savings estimated at 15% - 30% compared to traditional design-bid-build project delivery. Other advantages include the following:

- a single point of contact for both design and construction since architects and engineering consultants work for the design/build entity;
- shifting of risk to the design/build entity for errors and omissions in drawings and for associated construction costs; and
- early involvement during the design phase by the builder.

There are a number of regulatory authorities for use of design/build by public entities. The UC, CSU and K-12 systems as well as many cities and counties have used the design/build method very successfully. Two particular regulatory authorities for design/build relate to community colleges, and they are Government Code Section 5956 and Education Code Section 81700.

Government Code Section 5956 provides authority for design/build construction delivery to public agencies in general. The purpose is to bring private sector investment capital into the public arena in order to help finance "fee-producing" public facility projects that do not involve State funding resources. While the Government Code authority includes flexible provisions regarding selection of a design/build contractor, its relevance may be tempered by the necessity to obtain private capital and its limited application to "fee producing" public facilities. As indicated at the last Board meeting, this Government Code authorization will be used for the District faculty/staff housing project.

Education Code 81700 authorizes certain community college districts, including SMCCCD, to use the design/build construction method on projects costing in excess of $10 million. The purpose is to assist the designated community colleges in achieving 1) accelerated completion of a project, 2) cost containment, 3) reduced construction complexity, and 4) limited college exposure to risk by shifting liability for cost containment and project completion to the design/build entity. The Education Code authority may be used if, after evaluation of the traditional design-bid-build method, the college's governing board provides written findings that the design/build project will either reduce comparable project costs, expedite the project completion, or provide features not achievable through the traditional design/bid/build process. Design/build guidelines, as mandated by Education Code Section 81706, will be presented to the California Community Colleges Board of Governors for action in May 2003.

BOARD REPORT NO. 06-11-101B November 8, 2006

RESOLUTION NO. 06-19

BY THE GOVERNING BOARD OF
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
STATE OF CALIFORNIA

RESOLUTION AUTHORIZING THE UTILIZATION OF DESIGN/BUILD DELIVERY

WHEREAS, Education Code §81700 authorizes certain designated community college districts, including San Mateo County Community College District, to use the design/build construction method on projects costing in excess of $10 million; and

WHEREAS, San Mateo County Community College District conducted an evaluation of the traditional design-bid-build delivery method for the College of San Mateo CIP2 Design Build Project and the Skyline College CIP2 Design Build Project; and

WHEREAS, the Governing Board of the San Mateo County Community College District finds that use of the design-build delivery method for the facilities described above for the College of San Mateo and for Skyline College will either (1) reduce comparable costs of the projects, or (2) expedite completion of the projects, or (3) provide features unavailable through traditional design-bid-build process;

NOW, THEREFORE, BE IT RESOLVED that the San Mateo County Community College District Board of Trustees authorizes utilization of the design-build construction delivery method, as provided for under Education Code §81700, for the College of San Mateo CIP2 Design Build Project and the Skyline College CIP2 Design Build Project.

REGULARLY PASSED AND ADOPTED this 8th day of November 2006.

Ayes:

Noes:

Attest: ____

Helen Hausman, Vice President-Clerk
Board of Trustees

San Mateo County Community College District November 8, 2006

BOARD REPORT NO. 06-11-102B

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Rick Bennett
Executive Director, Construction Planning & General Services, 358-6752

APPROVAL OF CONSTRUCTION CONSULTANTS FOR DESIGN-BUILD BRIDGING DOCUMENTS

During the course of each year, the District retains various construction consulting services, including engineers, architects and other specialists. The professional services required by the District are temporary or specialized in nature and are not provided by District employees. Services provided include architectural, engineering, construction testing and inspection, environmental, documentation for construction planning as required by the State Chancellor's office, and construction-related legal services. Proposition 35 requires that the District qualify architects and engineers. The District has routinely undergone qualification processes for architects, engineers and other construction consultants prior to engaging them to provide services.

In August 2006 the Board approved the 2006 Facilities Master Plan (Board Report No. 06-08-101B), which will be the basis of the second phase of the capital improvement program (CIP2). Earlier this evening, the Board passed Resolution No. 06-19 authorizing use of the design-build delivery method for the College of San Mateo CIP2 Design Build Project and the Skyline College CIP2 Design Build Project.

The District's Request for Proposals (RFPs) to design-build entities (DBEs) for each of these projects must identify certain functional and programmatic requirements that DBEs must incorporate into their proposals in order to have a conforming bid. The 2006 Facilities Master Plan sets the foundation for the projects that comprise these two design-build projects, but additional architectural work is needed to bridge the gap from the master plan to a point where DBEs can enter into a design and cost competition. The bridging documents that will provide the additional programming and conceptual design information will include:

- Project intent
- Project boundary lines
- Massing diagrams
- Program elements
- Adjacencies
- Space arrays
- Facilities Design Standards & Guidelines
- Technology Standards & Guidelines

College and District staff interviewed firms to provide architectural bridging services for these two design-build projects. The firm selected for the College of San Mateo project is Steinberg Architects; the firm selected for the Skyline College project is Kwan Henmi Architects.

In addition to architectural bridging services, District staff would like to engage certain other consultants who will help identify and define for inclusion in the RFPs any sustainability, energy efficiency and commissioning activities that might incorporate the Board of Trustees' goals into the design-build projects. The sustainability consultant, Simon & Associates, will help identify costs and criteria related to voluntary conformance with green building codes. The building commissioner will identify the commissioning activities to ensure that each new building's complex mechanical, electrical, controls, fire alarm, security and other technologies interface per the design intent. Finally, Chevron Energy Solutions (CES) will participate in conceptual design workshops with the bridging architects. For the past 6 years, CES has performed energy efficiency projects for the District as well as peer review and other consulting services. CES has become intimately familiar with college facilities and infrastructure systems, and can provide insight to the conceptual design for mechanical and electrical solutions that should be incorporated into the design-build projects.

The total not to exceed cost for each proposed firm is shown below, and the funding source is Measure A general obligation bond proceeds.

Architectural Bridging Services

Steinberg Architects	$	1,260,000
Kwan Henmi Architects	$	795,000

Sustainability Consulting Services

Simon & Associates Green Building	$	25,000

Building Commissioning Services

GRD/Energy	$	200,000

Mechanical and Electrical Conceptual Design Services

Chevron Energy Solutions	$	50,000

RECOMMENDATION

It is recommended that the Board of Trustees approve construction consultant services for design-build bridging documents, as detailed above, in an amount not to exceed $ 2,330,000.

San Mateo County Community College District November 8, 2006

BOARD REPORT NO. 06-11-1C

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: James Keller, Executive Vice Chancellor, 358-6728

DISTRICT FINANCIAL SUMMARY FOR THE QUARTER ENDING SEPTEMBER 30, 2006

In accordance with Education Code Section 72413, the State Chancellor's Office requires submission of a Quarterly Financial Status Report (Form CCFS-311Q) and a copy of the District's financial report.

Attached is Form CCFS-311Q (Exhibit A) for the quarter ending September 30, 2006, which was forwarded to the State Chancellor's Office and the San Mateo County Superintendent of Schools on October 29, 2006.

General Fund—Unrestricted: Below is financial data for the unrestricted portion of the General Fund for the quarters ending September 30, 2005 and September 30, 2006.

	Amount		Difference	
	09/30/2005	**09/30/2006**	**Amount**	**Percentage**
INCOME:				
State Aid	$ 6,154,240	$ 11,288,685	$ 5,134,445	83.43%
Enrollment Fees	3,883,356	3,804,401	-78,955	-2.04%
Non-Resident Tuition	833,846	878,089	44,243	5.31%
Property Taxes	0	239,355	239,355	N/A
Inter-Fund Transfer	571	0	-571	N/A
Other Income	333,871	-132,196	-466,067	N/A
Total Income	$ 11,205,884	$ 16,078,334	$ 4,872,450	43.49%
% of Budget	11.80%	15.49%	N/A	N/A
EXPENSES:				
Academic Salaries	$ 7,997,988	$ 8,630,982	$ 632,994	7.92%
Classified Salaries	4,334,458	5,022,817	688,359	15.89%
Administrative Salaries	1,366,958	1,492,753	125,795	9.21%
Fringe Benefits	4,978,348	4,722,403	-255,945	-5.15%
General Supplies	424,581	494,279	69,698	16.42%
Operating Expenses	2,024,493	1,846,823	-177,670	-8.78%
Capital Outlay	73,754	48,704	-25,050	-33.97%
Transfer Accounts	0	6,341	6,341	N/A
Total Expenditures	$ 21,200,580	$ 22,265,102	$ 1,064,522	5.03%
% of Budget	20.89	20.32	N/A	N/A

General Fund Income increased $4,872,450 (or 43.49%) over last year, primarily due to the payment of Principal Apportionment and Local Property Taxes. A change in annual salaries COLA was a main reason for expenditure increases.

For fiscal year 2006-2007, the District issued $10,000,000 of Tax and Revenue Anticipation Notes, which are due to mature on June 30, 2007; note interest is 3.5%.

OTHER FUNDS: Included in Exhibit B are the financial data for all other funds. Total income and expenditures, comparing this same period for 2005-2006 and 2006-2007, are listed below:

Restricted General and Other Funds	Amount 09/30/05	Amount 09/30/06	Difference Amount	Difference Percentage
Total Income	$ 6,350,349	$ 7,599,818	$ 1,249,469	19.68%
Total Expenditures	$ 22,017,145	$ 22,073,580	$ 56,435	0.26%

The Bond construction reimbursement was the main reason for the income increase from the County Bond Construction Fund. Expenditures compared with the prior year were slightly increased primarily due to the Bond interest payment in September.

REPORT ON INVESTMENTS: As of September 30, 2006, the District had on deposit $30,703,523 in total investments with the Local Agency Investment Fund (LAIF) of the State Treasurer's Office, County Pool Investment, and Special Deposit Bonds with Lehman Brothers and Wells Fargo Bank. The average yields on LAIF, County Pool, the Special Deposit Bond with Lehman Brothers, and the Special Deposit Bond with Wells Fargo Bank were 4.93%, 3.61%, 5.32% and 1.45%, respectively. These deposits consisted of the following sources:

Fund	LAIF Investment	County Pool Investment	Certificates of Participation	Special Deposit Bond	Total Investment
Unrestricted General Fund	$ 5,133,681	$ 1,322,000	$ 0	$ 0	$ 6,455,680
Capital Outlay Fund	0	0	0	5,000	5,000
Agency Fund	10,280,392	11,663,488	0	2,298,963	24,242,843
Total Investment	$ 15,414,072	$12,985,487	$ 0	$ 2,303,963	$30,703,523

California Community Colleges
Quarterly Financial Status Report, CCFS-311Q

Fiscal Year : 2006-07

District: 370 San Mateo County Community College District

Quarter Ended: 30-Sep

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Projected Actuals as of June 30 (Col. 4)
I.	**Unrestricted General Fund Revenue, Expenditure and Fund Balance:**				
A.	**Revenues:**				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	103,717,741	103,785,441	16,070,103	103,792,744
A.2	Other Financing Sources (Object 8900)	0	7,304	8,230	10,000
A.3	**Total Unrestricted Revenues** (A.1 + A.2)	103,717,741	103,792,745	16,078,333	103,802,744
B.	**Expenditures:**				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	106,607,230	106,672,729	22,258,761	101,039,212
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	2,902,838	2,912,343	6,341	2,912,343
B.3	**Total Unrestricted Expenditures** (B.1 + B.2)	109,510,068	109,585,072	22,265,102	103,951,555
C.	**Revenues Over(Under) Expenditures** (A.3 - B.3)	-5,792,327	-5,792,327	-6,186,769	-148,811
D.	**Fund Balance**, Beginning	9,879,706	9,879,706	9,879,706	9,879,706
D.1	Prior Year Adjustments + (-)				
D.2	**Adjusted Fund Balance**, Beginning (D + D.1)	9,879,706	9,879,706	9,879,706	9,879,706
E.	**Fund Balance**, Ending (C. + D.2)	4,087,379	4,087,379	3,692,937	9,730,895
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	3.7%	3.7%	16.6%	9.4%
II.	**Annualized Attendance FTES:**				
G.1	Annualized FTES (excluding apprentice and non-resident)				22,000

		Amount as of the Specified Quarter Ended
III.	**Total General Fund Cash Balance** (Unrestricted and Restricted)	
H.1	Cash, excluding borrowed funds	18,247,047
H.2	Cash, borrowed funds only	0
H.3	Total Cash (H.1+ H.2)	18,247,047

IV. Has the district settled any employee contracts during this quarter? Yes: ☑ No: ☐

If yes, complete the following: *(If multi-year settlement, provide information for all years covered.)*

Contract Period Settled (Specify) YYYY-YY	Management		Academic				Classified	
			Permanent		Temporary			
	Total Cost Increase	%*	Total Cost Increase	%*	Total Cost Increase	%*	Total Cost Increase	%*
a. SALARIES:								
Year 1: 2005-06			780,600	3.2%	384,500	3.2%		
Year 2: 2006-07			978,100	4.9%	481,600	4.9%		
Year 3: 2007-08			1,070,000	3.7%	527,900	3.7%		
b. BENEFITS:								
Year 1: 2005-06			162,600		80,200			
Year 2: 2006-07			203,800		100,490			
Year 3: 2007-08			223,100		10,997			

**: As specified in Collective Bargaining Agreement or other Employment Contract*

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

COLA increases were budgeted as reserve account.

V. Did the district have significant events for the quarter (*include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANs), issuance of COPs, etc.)?* **Yes** ☐ **No** ☑

If yes, list events and their financial ramifications. *(Enter explanation below, include additional pages if needed.)*

VI. Does the district have significant fiscal problems that must be addressed this year? **Yes** ☐ **No** ☑
Next year? Yes ☐ **No** ☑

If yes, what are the problems and what actions will be taken? (*Enter explanation below, include additional pages if needed.*)

BOARD REPORT NO. 06-11-1C

Exhibit B

San Mateo County Community College District
DISTRICT CASH FLOW SUMMARY
FOR THE QUARTER ENDING SEPTEMBER 30, 2006

		GENERAL FUND	GENERAL RESTRICTED FUND	INSURANCE & Debt Services FUND	CAPITAL OUTLAY FUND	CHILD CARE FUND	STUDENT AID FUND	POST-RETIREMENT RESERVES
Beg. Cash Balance in County Treasury		**16,699,836.84**	**5,273,328.32**	**6,305,369.14**	**216,420,371.13**	**200,817.77**	**206,344.93**	**-**
Cash inflow from operations:								
Year-to-date Income		16,078,333.71	3,779,080.00	22,478.45	1,280,617.63	44,494.94	2,473,147.10	0.00
Accounts Receivable		6,738,246.55	690,718.98	47,823.73	2,051,973.85	37,500.07	276,645.60	63,789.47
Deferred Income		(3,628,412.50)	498,407.65		(13,779.50)	(10,417.60)	(117,977.00)	
Cash awaiting for deposit		313,464.71						
Total Income		36,201,469.31	10,241,534.95	6,375,671.32	219,739,183.11	272,395.18	2,838,160.63	63,789.47
Cash outflow for operations:								
Year to date expenditure		22,265,102.67	4,660,008.25	5,399,348.86	9,544,949.27	173,967.21	2,295,306.00	-
Advances / Prepaid		(533,019.56)	(96,733.55)	(545.17)	(217.84)	(8,125.57)	-	
Account Payable		2,644,876.19	(794,576.69)	3,611.08	9,053,830.04	8,146.73	17,699.50	130,170.59
Cash Balance From Operations		**11,824,510.01**	**6,472,836.94**	**973,256.55**	**201,140,621.64**	**98,406.81**	**525,155.13**	**(66,381.12)**
Other Cash inflow								
Medical Flex Plan / Revolv. Fund		(50,300.00)						
TRANs								
Trusts (JPA & 3CBG)								
Beg. Investment Balance								
LAIF Balance	5,133,680.57							10,280,391.77
County Pool Balance	1,321,999.53							11,729,869.07
Special Bond				79,708.08	5,000.00			2,298,963.00
C.O.P.	-							
Total Beg. Balance	6,455,680.10			79,708.08	5,000.00			24,309,223.84
Y.T.D. Investment Balance								
LAIF Balance	5,133,680.57							10,280,391.77
County Pool Balance	1,321,999.53							11,663,487.95
Special Bond				79,708.08	5,000.00			2,298,963.00
C.O.P.	-				-			
Y.T.D. Balance	6,455,680.10			79,708.08	5,000.00			24,242,842.72
Net Cash changes from Investment		-		-	-			66,381.12
Net changes from unrealized gain / (loss)								
Cash Balance in County Treasury		11,774,210.01	6,472,836.94	973,256.55	201,140,621.64	98,406.81	525,155.13	0.00
Net Cash (Excluding TRANS & Trusts)		**11,774,210.01**	**6,472,836.94**	**973,256.55**	**201,140,621.64**	**98,406.81**	**525,155.13**	**0.00**

San Mateo County Community College District
DISTRICT CASH FLOW SUMMARY
FOR THE QUARTER ENDING SEPTEMBER 30, 2006

		GENERAL FUND	GENERAL RESTRICTED FUND	INSURANCE & Debt Services FUND	CAPITAL OUTLAY FUND	CHILD CARE FUND	STUDENT AID FUND	POST-RETIREMENT RESERVES
Beg. Cash Balance in County Treasury		**16,699,836.84**	**5,273,328.32**	**6,305,369.14**	**216,420,371.13**	**200,817.77**	**206,344.93**	**-**
Cash inflow from operations:								
Year-to-date Income		16,078,333.71	3,779,080.00	22,478.45	1,280,617.63	44,494.94	2,473,147.10	0.00
Accounts Receivable		6,738,246.55	690,718.98	47,823.73	2,051,973.85	37,500.07	276,645.60	63,789.47
Deferred Income		(3,628,412.50)	498,407.65		(13,779.50)	(10,417.60)	(117,977.00)	
Cash awaiting for deposit		313,464.71						
Total Income		36,201,469.31	10,241,534.95	6,375,671.32	219,739,183.11	272,395.18	2,838,160.63	63,789.47
Cash outflow for operations:								
Year to date expenditure		22,265,102.67	4,660,008.25	5,399,348.86	9,544,949.27	173,967.21	2,295,306.00	-
Advances / Prepaid		(533,019.56)	(96,733.55)	(545.17)	(217.84)	(8,125.57)	-	
Account Payable		2,644,876.19	(794,576.69)	3,611.08	9,053,830.04	8,146.73	17,699.50	130,170.59
Cash Balance From Operations		**11,824,510.01**	**6,472,836.94**	**973,256.55**	**201,140,621.64**	**98,406.81**	**525,155.13**	**(66,381.12)**
Other Cash inflow								
Medical Flex Plan / Revolv. Fund		(50,300.00)						
TRANs								
Trusts (JPA & 3CBG)								
Beg. Investment Balance								
LAIF Balance	5,133,680.57							10,280,391.77
County Pool Balance	1,321,999.53							11,729,869.07
Special Bond				79,708.08	5,000.00			2,298,963.00
C.O.P.	-							
Total Beg. Balance	6,455,680.10			79,708.08	5,000.00			24,309,223.84
Y.T.D. Investment Balance								
LAIF Balance	5,133,680.57							10,280,391.77
County Pool Balance	1,321,999.53							11,663,487.95
Special Bond				79,708.08	5,000.00			2,298,963.00
C.O.P.	-				-			
Y.T.D. Balance	6,455,680.10			79,708.08	5,000.00			24,242,842.72
Net Cash changes from Investment		-		-	-			66,381.12
Net changes from unrealized gain / (loss)								
Cash Balance in County Treasury		11,774,210.01	6,472,836.94	973,256.55	201,140,621.64	98,406.81	525,155.13	0.00
Net Cash (Excluding TRANS & Trusts)		**11,774,210.01**	**6,472,836.94**	**973,256.55**	**201,140,621.64**	**98,406.81**	**525,155.13**	**0.00**

Board Report No. 06-11-2C

Information Report on New Payroll System

There is no printed report for this agenda item