



COUNTY OF SANTA CRUZ

AUDITOR-CONTROLLER'S OFFICE

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January 18, 2000

AGENDA: Feb.1 , 2000

Board of Supervisors
County of Santa Cruz
701 Ocean street
Santa Cruz, CA 95060

SUBJECT: ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CABRILLO
COMMUNITY COLLEGE DISTRICT

Dear Members of the Board:

On June 2, 1998, the voters of the Cabrillo Community College District of Santa Cruz County approved the issuance of general obligation bonds in the maximum amount of \$85,000,000.00 by the required two-thirds majority. Pursuant to Education Code Sections 15140 et seq., the board of supervisors of the county in which the district is located is required to offer such bonds for sale pursuant to resolution. The Governing Board of the Cabrillo Community College District has requested that your Board adopt a resolution approving the issuance and sale of bonds in the principal amount of \$30,000,000.00 designated as "Cabrillo Community College District (Santa Cruz County, California) 1998 General Obligation Bonds, Series B".

IT IS NOW THEREFORE RECOMMENDED that your Board of Supervisors take the following actions:

1. Adopt the attached resolution authorizing the issuance of Cabrillo Community College District (Santa Cruz County, California) 1998 General Obligation Bonds, Series B.

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Very truly yours,

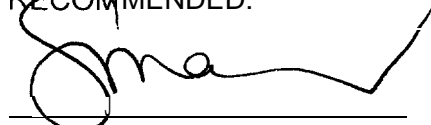


GARY KNUTSON
AUDITOR-CONTROLLER

GK:

cc: Cabrillo Community College District
County Counsel

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

-- ADOPTION COPY --

RESOLUTION AUTHORIZING THE ISSUANCE OF CABRILLO COMMUNITY COLLEGE DISTRICT (SANTA CRUZ COUNTY, CALIFORNIA) ELECTION OF 1998 GENERAL OBLIGATION BONDS, SERIES B IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000.

WHEREAS, a duly called special election was held in the Cabrillo Community College District, Santa Cruz County (the "County"), State of California (hereinafter referred to as the "District"), on June 2, 1998 and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$85,000,000 payable from the levy of an ad valorem tax against the taxable property in the District;

WHEREAS, on September 18, 1998, the District issued an aggregate principal amount of \$12,000,000 of such Bonds (the "Series A Bonds");

WHEREAS, at this time this Board has received the resolution of the governing board of the District requesting the issuance of an additional portion of such Bonds in the aggregate principal amount not to exceed \$30,000,000 (the "Series B Bonds");

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Series B Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF SANTA CRUZ COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. Purpose of Series B Bonds. That for the purpose of raising money for the purposes authorized by voters of the District at the election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County authorizes the issuance of the Series B Bonds in the name of the District under and subject to the terms of the California Education Code and this resolution.

SECTION 2. Notice Inviting Bids. The invitation for bids for the purchase of the Series B Bonds is hereby authorized, such invitation to be substantially in accordance with the Notice Inviting Proposals For Purchase of Bonds attached hereto as Exhibit A and by this reference incorporated herein (the "Notice Inviting Bids"). The Notice Inviting Bids and the Bid Form attached hereto as Exhibit B and by this reference incorporated herein are hereby approved.

SECTION 3. Publication of Notice of Intention to Sell Bonds. The Superintendent/President of the District, the Assistant Superintendent of Business Services/Vice President or the Superintendent/President's designee, is hereby directed to execute the Notice of

Intention to Sell Bonds attached hereto as Exhibit C (the "Notice of Intention") and to cause the Notice of Intention to be published once at least fifteen (15) days prior to the date set to receive bids in The Bond Buyer and once a week for two successive weeks prior to the date set to receive bids in a newspaper published and of general circulation in Santa Cruz County.

SECTION 4. Terms and Conditions of Sale. The terms and conditions of the offering and the sale of the Series B Bonds shall be as specified in the Notice Inviting Bids. The Board shall award the sale of the Series B Bonds by acceptance by the County Tax Collector-Treasurer or his designee, of the bid with the lowest true interest cost so long as the principal amount of Series B Bonds does not exceed \$30,000,000 and the true interest cost does not exceed 12% per annum.

SECTION 5. Furnishing of Notice Inviting Bids and Official Statement. The Clerk of the County and the Financial Advisor to the District, Sutro & Co. Incorporated (the "Financial Advisor"), are hereby authorized and directed to cause to be furnished to prospective bidders a reasonable number of copies of the Notice Inviting Bids (including the Bid Form) and a reasonable number of copies of the Official Statement.

SECTION 6. General Authorization. The Financial Advisor and/or Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel") are hereby authorized and directed to open the bids at the time and place specified in the Notice Inviting Bids and to present the same to the County. The Financial Advisor and/or Bond Counsel are hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Notice Inviting Bids, to cause said bids to be examined for compliance with the Notice Inviting Bids, to cause computations to be made as to which bidder has bid the lowest true interest cost, as provided in the Notice Inviting Bids, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Series B Bonds and the proceedings for the issuance thereof.

SECTION 7. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Notice Inviting Bids or the Official Statement):

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

(b) **"Accreted Value"** means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on February 1, 2001 (unless otherwise provided in the Notice Inviting Bids or the Official Statement)) with respect to the Capital Appreciation Bonds at the stated Reoffering Yield to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"Authorized Newspaper"** means a newspaper or newspapers, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, published in the English language and of general circulation in Santa Cruz County, California.

(d) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Denominational Amount and Accreted Interest of and interest on the Series B Bonds.

(e) **“Bond Payment Date”** means (unless otherwise provided by the Notice Inviting Bids or the Official Statement), with respect to the Current Interest Bonds, February 1 and August 1 of each year commencing February 1, 2001 with respect to the interest on the Current Interest Bonds and August 1, of each year commencing August 1, 2001 with respect to the principal payments on the Current Interest Bonds, and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **“Bond Registrar”** means U.S. Bank Trust National Association, or any successor thereto.

(g) **“Capital Appreciation Bonds”** means the 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 Notice Inviting Bids or the Official Statement.

(h) **“Current Interest Bonds”** means the Series B Bonds the interest on which is payable semiannually 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 Notice Inviting Bids or the Official Statement.

(i) **“Denominational Amount”** means, with respect to the Capital Appreciation Bonds, the initial purchase price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(j) **“Depository”** means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(k) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Series B Bonds.

(l) **“Information Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; or Moody’s Municipal and Government; or Standard & Poor’s J. J. Kenny Information Services Called Bond Service.

(m) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(n) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(o) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(p) **“Principal”** or **“Principal Amount”** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(q) **“Record Date”** means the fifteenth (15th) day of the month preceding each Bond Payment Date.

(r) **“Reoffering Yield”** means, unless otherwise provided by the Notice Inviting Bids or the Official Statement, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each February 1 and August 1 (commencing February 1, 2001), produces the Maturity Value on the maturity date.

(s) **“Securities Depositories”** means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Facsimile transmission: (516) 227-4039, (516) 227-4190; Midwest Securities Trust Company, Capital Structure-Call Notification, 440 South La Salle Street, Chicago, Illinois 60605, Facsimile transmission: (3 12) 663-2343; and Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Facsimile transmission: (2 15) 496-5058.

(t) **“Term Bonds”** means those Series B Bonds for which mandatory redemption dates have been established in the Notice Inviting Bids or the Official Statement.

(u) **“Transfer Amount”** means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

SECTION 8. Terms of the Series B Bonds.

(a) Denomination. Interest. Dated Dates. The Series B Bonds shall be issued as Bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, \$5,000 Denominational Amount or any integral multiple thereof (except for one odd denomination), and with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination). The Series B Bonds will be initially registered to “Cede & Co.,” the nominee of the Depository Trust Company, New York, New York.

Each Capital Appreciation Bond shall be dated, and shall accrete Accreted Interest from, its date of initial issuance. Capital Appreciation Bonds will not bear interest on a current basis.

Each Current Interest Bond shall be dated February 1, 2000 or such date as shall appear in the Notice Inviting Bids or the Official Statement (the “Dated Date”), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2001, in which event it shall bear interest from the Dated Date.

The Series B Bonds shall bear or accrete interest at a rate or rates such that the true interest cost of the Series B Bonds shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

The Series B Bonds shall mature on August 1, unless otherwise stated in the Notice Inviting Bids or the Official Statement, of the years and in the amounts determined by the County Tax Collector-Treasurer upon the recommendation of the District, such determination to be conclusively evidenced by the publication of such dates and amounts in the Notice Inviting Bids; provided, that in the event that the amount shown in the Accreted Value Table attached as an exhibit to the Official Statement and the Accreted Value calculated by the District and approved by the Bond Insurer by application of the definition of Accreted Value set forth in Section 7 hereof differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

(b) Redemption.

(i) Optional Redemption. Unless otherwise provided in the Notice Inviting Bids or the Official Statement, the Current Interest Bonds maturing on or before August 1, 2010, are not subject to redemption prior to their fixed maturity dates. Unless otherwise provided in the Notice Inviting Bids or the Official Statement, the Current Interest Bonds maturing on or after August 1, 2011, may be redeemed before maturity at the option of the District, from any source of funds of the District, on August 1, 2010, or on any date thereafter as a whole, or in part on any Bond Payment Date in inverse order of maturity and by lot within a maturity. For the purposes of such selection, Current Interest Bonds will be deemed to consist of \$5,000 portions, and any such portion may be separately redeemed. Unless otherwise provided in the Notice Inviting Bids or the Official Statement, the Current Interest Bonds called prior to maturity will be redeemed at the following redemption prices, expressed as a percentage of par value, together with accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
August 1, 2010 and February 1, 2011	102%
August 1, 2011 and February 1, 2012	101
August 1, 2012 and thereafter	100

Unless otherwise provided in the Notice Inviting Bids or the Official Statement, the Capital Appreciation Bonds are not subject to optional redemption.

(ii) Mandatory Redemption. Unless otherwise provided in the Notice Inviting Bids or the Official Statement, the Term Bonds are subject to mandatory redemption from moneys in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value thereof without premium on each August 1, in Principal Amounts as set forth in the Notice Inviting Bids or the Official Statement described below.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Series B Bonds and less than all Outstanding Series B Bonds are to be redeemed, the Bond Registrar identified below, upon written instruction from the District, shall select Series B Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar, in a manner determined by the District, shall select Series B Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any

Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Series B Bonds. Such Redemption Notice shall specify: (a) the Series B Bonds or designated portions thereof (in the case of redemption of the Series B Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Bond Registrar, (d) the redemption price, (e) the CUSTP numbers (if any) assigned to the Series B Bonds to be redeemed, (f) the Bond numbers of the Series B Bonds to be redeemed in whole or in part and, in the case of any Series B Bond to be redeemed in part only, the Principal Amount of such Series B Bond to be redeemed, and (g) the original issue date, interest rate or Reoffering Yield and stated maturity date of each Series B Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series B Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Bond Registrar shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 30 but not more than 4.5 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series B Bonds. Each check issued or other transfer of funds made by the Bond Registrar for the purpose of redeeming Series B Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Series B Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Series B Bonds. Upon the surrender of any Series B Bond redeemed in part only, the Bond Registrar shall execute and deliver to the Owner thereof a new Series B Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series B Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Series B Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series B Bonds to be redeemed as provided in Section 5(b)(i) hereof, together with interest accrued to such redemption date, shall be held by the Bond Registrar so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Series B Bonds shall be held in trust for the account of the Owners of the Series B Bonds so to be redeemed.

All Series B Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Bond Registrar.

(vii) Series B Bonds No Longer Outstanding. When any Series B Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Bond Registrar, in form satisfactory to it, and sufficient moneys shall be held by the Bond Registrar irrevocably in trust for the payment of the redemption price of such Series B Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series B Bonds shall no longer be deemed Outstanding and shall be surrendered to the Bond Registrar for cancellation.

(c) Book-Entry System.

(i) Definitions. As used in this Section, the terms set forth below shall have the meanings ascribed to them:

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(ii) Election of Book-Entry System. The Series B Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Series B Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Series B Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Series B Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4).

With respect to book-entry Series B Bonds, the District and the Bond Registrar shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Series B Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Series B Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Series B Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Series B Bonds to be prepaid in the event the District redeems the Series B Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the book-entry Series B Bonds. The District and the Bond Registrar may treat and consider the person in whose name each book-entry Series B Bond is registered in the Bond Register as the absolute owner of such book-entry Series B Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Series B Bond, for the purpose of giving notices of redemption and other matters with respect to such Series B Bond, for the purpose of registering transfers with respect to such Series B Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all Accreted Value or Principal of and premium, if any, and interest on the Series B Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Series B Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Series B Bonds. Upon delivery by the Depository to the owner and the Bond Registrar, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Series B Bonds for the Depository's book-entry system, the District and the Bond Registrar shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Bond Registrar any obligation whatsoever with respect to persons having interests in such book-entry Series B Bonds other than the owners, as shown on the Bond Register. By executing a Letter of Representations, the Bond Registrar shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Bond Registrar shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Series B Bonds for the Depository's book-entry program.

2. Selection of Depositor-v. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Series B Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Series B Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the

preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Series B Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Series B Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Series B Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Series B Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the Bond Register with respect to Accreted Value or Principal of and premium, if any, or interest on the Series B Bonds and all notices with respect to such Series B Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Bond Registrar notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Series B Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Series B Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(ii)(4)(A)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Series B Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Series B Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Series B Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may

be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Series B Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Series B Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Bond Registrar shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Series B Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Series B Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Bond Registrar, all in accordance with the Letter of Representations. The Bond Registrar shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Bond Registrar shall be entitled to treat the person in whose name any Series B Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Bond Registrar or the District; and the District and the Bond Registrar shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Series B Bonds. Neither the District nor the Bond Registrar shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Series B Bonds, and the Bond Registrar may rely conclusively on its records as to the identity of the owners of the Series B Bonds.

SECTION 9. Execution of Series B Bonds. The Series B Bonds shall be signed by the Chairperson of the Board of Supervisors and the Treasurer-Tax Collector by their manual or facsimile signatures and countersigned by the manual or facsimile signature of and the seal of the County affixed thereto by the Clerk of the Board of Supervisors, all in their official capacities. No Series B Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series B Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Series B Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 10. Bond Registrar: Transfer and Exchange. This Board does hereby appoint U.S. Bank Trust National Association to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Series B Bonds.

So long as any of the Series B Bonds remain outstanding, the District will cause the Bond Registrar to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Series B Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Series B Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series B Bond for all purposes of this

Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Series B Bond shall be made only to or upon the order of that person; neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series B Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series B Bond may be exchanged for Series B Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Series B Bond may be transferred on the Bond Register only upon presentation and surrender of the Series B Bond at the principal office of the Bond Registrar together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Series B Bond or Series B Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Series B Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Series B Bond shall become mutilated, the County, at the expense of the Owner of said Series B Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series B Bond of like series, tenor and Transfer Amount in exchange and substitution for the Series B Bond so mutilated, but only upon surrender to the Bond Registrar of the Series B Bond so mutilated. If any Series B Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar and, if such evidence be satisfactory to the Bond Registrar and indemnity for the Bond Registrar, the County (including the Board of Supervisors, and its officials, officers, agents and employees) and the District satisfactory to the Bond Registrar shall be given by the owner, the County, at the expense of the Series B Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series B Bond of like series and tenor in lieu of and in substitution for the Series B Bond so lost, destroyed or stolen (or if any such Series B Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Series B Bond the Bond Registrar may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Bond Registrar and the County). The Bond Registrar may require payment of a reasonable fee for each new Series B Bond issued under this paragraph and of the expenses which may be incurred by the County and the Bond Registrar.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Bond Registrar shall undertake the exchange or transfer of Series B Bonds only after the new Series B Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Series B Bonds, the County shall sign and the Bond Registrar shall authenticate and deliver Series B Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Series B Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series B Bonds surrendered upon that exchange or transfer.

Any Series B Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District and the County may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Series B Bonds that the District and the County may have acquired in any manner whatsoever, and those Series B Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Series B Bonds shall be made to the District and the County by the Bond Registrar on or before February 1 and August 1 of each year. The cancelled Series B Bonds shall be retained for six years, then returned to the District or destroyed by the Bond Registrar as directed by the District.

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

SECTION 11. Payment. Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of \$1,000,000 or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption price, if any, payable on the Current Interest Bonds and the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Bond Registrar. The interest, Accreted Value, Principal and premiums, if any, on the Series B Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Series B Bonds upon payment thereof. The Series B Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the Series B Bonds.

SECTION 12. Form of Series B Bonds. The Series B Bonds shall be in substantially the following form, allowing those officials executing the Series B Bonds to make the insertions and deletions necessary to conform the Series B Bonds to this Resolution, the Notice Inviting Bids and the Official Statement.

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
\$

CABRILLO COMMUNITY COLLEGE DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA
ELECTION OF 1998 GENERAL OBLIGATION BOND, SERIES B

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
___% per annum	August 1,	February 1, 2000	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Cabrillo Community College District (the "District") in Santa Cruz County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 200 1. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2001, in which event it shall bear interest from February 1, 2000. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially U.S. Bank Trust National Association. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1 ,000,000 or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of \$85,000,000 of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at a special election held on June 2, 1998, upon the question of issuing bonds in the amount of \$85,000,000 and the resolution of the Governing Board of the District adopted on January 10, 2000 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on February [1], 2000 (the "Bond Resolution"). This bond and the issue of which this bond

is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as provided in the Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

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

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary.

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

The Current Interest Bonds maturing on or before August 1, 2010 are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 2011 are subject to redemption on or after August 1, 2010 at the option of the District as a whole on any date, or in part on any Bond Payment Date at the following Redemption Prices (expressed as percentages of the Principal Amount of the Current Interest Bonds to be redeemed) plus interest accrued thereon to the dates fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
August 1, 2010 through July 31, 2011	
August 1, 2011 through July 31, 2012	
August 1, 2012 and thereafter	

The Current Interest Bonds maturing on August 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Principal Amount thereof without premium on each August 1, on and after August 1, 20__, in the Principal Amounts as set forth in the following table:

0051

Redemption Dates

Principal Amounts

TOTAL

\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

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

IN WITNESS WHEREOF, the Cabrillo Community College District, Santa Cruz 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 Chairperson of the Board of Supervisors of the County and the County Treasurer-Tax Collector, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

SANTA CRUZ COUNTY, CALIFORNIA

By: (Facsimile Signature)
Chairperson, Board of Supervisors

By: (Facsimile Signature)
Treasurer-Tax Collector

COUNTERSIGNED:

(Facsimile Signature)
Clerk, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2000.

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile Signature)
Clerk, Board of Supervisors

(Form of Legal Opinion)

0064

(Form of Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

CABRILLO COMMUNITY COLLEGE DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA
ELECTION OF 1998 GENERAL OBLIGATION BOND, SERIES B

REOFFERING YIELD: MATURITY DATE: DATED AS OF: CUSIP
 August 1, ____ Date of Delivery

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Cabrillo Community College District (the "District") in Santa Cruz County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2001, at the Reoffering Yield specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially U.S. Bank Trust National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar.

This bond is one of an authorization of \$_____ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the election to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at an election held on June 2, 1998, upon the question of issuing bonds in the amount of \$85,000,000 and the resolution of the Governing Board of the District adopted on January 10, 2000 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on February [1], 2000 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Section 15250 and 15252. The bonds of this issue are general obligations of the District and do not constitute an obligation of the County except as



provided in the Bond Resolution. No part of any fund of the County is pledged or obligated to the payment of the bonds of this issue.

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

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District, the County and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Bond Registrar shall be affected by any notice to the contrary.

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

The Series B Bonds maturing on August 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Accreted Value thereof without premium on each August 1, on and after August 1, 20__, in the Accreted Value as set forth in the following table:

Redemption Dates

Accreted Values

\$

TOTAL

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the County, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

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

IN WITNESS WHEREOF, the Cabrillo Community College District, Santa Cruz 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 Chairperson of the Board of Supervisors of the County and the County Treasurer-Tax Collector, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

SANTA CRUZ COUNTY, CALIFORNIA

By: _____ (Facsimile Signature)
Chairperson, Board of Supervisors

COUNTERSIGNED:

(Facsimile Signature)
Clerk, Board of Supervisors

(Facsimile Signature)
Treasurer-Tax Collector

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2000.

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

/Facsimile Signature/
Clerk, Board of Supervisors

(Form of Legal Opinion)



SECTION 13. Delivery of Series B Bonds. The proper officials of the County shall cause the Series B Bonds to be prepared and, following their sale, shall have the Series B Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series B Bonds, to the original purchaser upon payment of the purchase price therefor.

SECTION 14. Deposit of Proceeds of Series B Bonds. The proceeds from the sale of the Series B Bonds, to the extent of the Denominational Amount and the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "Series B Cabrillo Community College District Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Series B Bonds are being issued and provided further that such proceeds shall be applied solely to authorized purposes which relate to the acquisition or improvement of real property. The accrued interest and any premium received by the County from the sale of the Series B Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Series B Cabrillo Community College District General Obligation Bond Debt Service Fund" (the "Debt Service Fund") for the Series B Bonds and used only for payment of Accreted Value or Principal of and interest on the Series B Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Series B Bonds not needed for the authorized purposes set forth herein for which the Series B Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Series B Bonds. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

Subject to federal tax restrictions, moneys in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 5360 1 of the Government Code of the State of California (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, in LAIF, or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's and Moody's Investors Service.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Accreted Value or Principal of and interest on the Series B Bonds when due.

SECTION 15. Rebate Fund.

(a) The District shall create and establish a special fund designated the "Series B Cabrillo Community College District Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such

amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Series B Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series B Bonds (including amounts treated as proceeds of the Series B Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1 ½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Series B Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than sixty (60) days after the end of (i) the fifth (5th) Bond Year, and (ii) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than sixty (60) days after the payment of all Series B Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Series B Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Series B Bonds.

SECTION 16. Security for the Series B Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Series B Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Series B Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal and Accreted Value of and interest on the Series B Bonds when and as the same fall due.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer-Tax Collector to the Bond Registrar which, in turn, shall pay such moneys to DTC to pay the principal and Accreted Value of and interest on the Series B Bonds. DTC will thereupon make payments of principal and Accreted Value and interest on the Series B Bonds to the DTC Participants who will thereupon make payments of principal and Accreted Value and interest to the beneficial owners of the Series B Bonds. Any moneys remaining in the Debt Service Fund after the Series B Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

SECTION 17. Arbitrage Covenant. The County acknowledges that the District has covenanted that it will restrict the use of the proceeds of the Series B Bonds in such manner and to such extent, if any, as may be necessary, so that the Series B Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 18. Conditions Precedent. Based in part on representations of the District, this Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Series B Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Series B Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series B Bonds.

SECTION 19. Official Statement. The Underwriter is hereby authorized to prepare a Preliminary Official Statement and an Official Statement relating to the Series B Bonds to be used in connection with the offering and sale of the Series B Bonds. The District and the Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Series B Bonds and is directed to deliver copies of any final Official Statement to the purchaser of the Series B Bonds, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 20. Insurance. In the event the District purchases bond insurance for the Series B Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Interest on the Series B Bonds, it shall become the owner of such Series B Bonds with the right to payment of principal, interest or Accreted Interest on the Series B Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Series B Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Series B Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Bond Registrar shall note the Bond Insurer as subrogee on the registration books for the Series B Bonds maintained by the Bond Registrar upon surrender of the Series B Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 21. Defeasance. All or any portion of the outstanding maturities of the Series B Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Series B Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) United States Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable United States Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series B Bonds outstanding and designated for defeasance (including all

principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Series B Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Series B Bonds shall cease and terminate, except only the obligation of the Bond Registrar or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Series B Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's Ratings Group or "Aaa" by Moody's Investors Service.

SECTION 22. Other Actions. Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Series B Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 23. Resolution to Treasurer-Tax Collector. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer-Tax Collector of San Bernardino County immediately following its adoption.

SECTION 24. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 1st day of February, 2000, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

SANTA CRUZ COUNTY, CALIFORNIA

Chairperson, Board of Supervisors

Attest:

Clerk, Board of Supervisors

By: _____

Approved as to form

By: Henry A. Oberhelman III
County Counsel



Exhibit A

NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS
\$ _____
CABRILLO COMMUNITY COLLEGE DISTRICT
(SANTA CRUZ COUNTY, CALIFORNIA)
1998 GENERAL OBLIGATION BONDS
SERIES B

NOTICE IS HEREBY GIVEN that sealed unconditioned proposals will be received to and including the hour of 10:00 a.m., California Time, on _____ February __, 2000, at the offices of the District’s Financial Advisor, Sutro & Co., 555 South’ Flower Street, Suite 3400, Los Angeles, California 90071, for the purchase of all, but not less than all, of \$_____ principal amount of Cabrillo Community College District, Santa Cruz County, California, 1998 General Obligation Bonds, Series B (the “Bonds”). In the event that the sale has not been awarded by the designated time, bids will be received on each successive _____, at the same time and location until such time as the sale is awarded.

Issue:

The Bonds shall be issued as Bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, \$5,000 Denominational Amount or any integral multiple thereof (except for one odd denomination), and with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination).

Each Capital Appreciation Bond shall be dated, and shall accrete Accreted Interest from, its date of initial issuance. Capital Appreciation Bonds will not bear interest on a current basis. Each Current Interest Bond shall be dated February 1, 2000 or such date as shall appear in the Official Statement (the “Dated Date”), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2001, in which event it shall bear interest from the Dated Date.

The Bonds shall bear or accrete interest at a rate or rates such that the true interest cost of the Bonds shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates. The Bonds mature on August 1 in each of the years 2001 to 2025, inclusive, as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2001	\$	2014	\$
2002		2015	
2003		2016	
2004		2017	
2005		2018	
2006		2019	
2007		2020	
2008		2021	
2009		2022	
2010		2023	
2011		2024	
2012		2025	
2013			

Option to Elect Term Bonds:

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical interest rate has been specified to comprise term bonds by indicating such an election on the bid form. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts.

Adjustment of Principal Amounts:

The principal amounts of each maturity of Bonds set forth above reflect certain assumptions of the Cabrillo Community College District (the "District") and the Financial Advisor with respect to the likely interest rates of the winning bid or bids and the premium or discount contained in such bids. Following the determination of the successful bidder or bidders, the Tax Collector-Treasurer (the "Treasurer") of Santa Cruz County (the "County"), acting on behalf of the District, reserves the right to increase or decrease the principal amount of each maturity of the Bonds, in \$5,000 increments, provided that the principal amount of the Bonds shall not exceed \$_____. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the Treasurer, upon recommendation of the District and the Financial Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the bonds; provided that no such adjustment shall reduce the amount of any original issue premium to be retained by the winning bidder based on the initial offering price of each maturity of the Bonds.

Interest Rates:

All bids for the purchase of the Bonds must state the rate or rates of interest to be paid and no bid at a price less than the par value of the Bonds, together with all accrued interest thereon to the date of the delivery of the Bonds, will be considered. All Bonds of the same maturity must bear the same rate of interest and no Bond may bear more than one rate. The maximum interest rate bid may not exceed twelve percent (12%) per annum, payable semiannually. Bidders may specify any number of

different rates to be borne on the Bonds; all interest rates must be in multiples of 1/8 or 1/20 of one percent; a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of 12 30-day months.

Redemption:

The Current Interest Bonds maturing on or before August 1, 2010 are non-callable. The Bonds maturing on August 1, 2011, or any time thereafter, are callable for redemption prior to their stated maturity date at the option of the District, in whole on any date, or in part on any interest payment date, on or after August 1, 2010, by lot within any such maturity if less than all of the Bonds of such maturity are to be redeemed, at the following redemption prices (expressed as a percentage of the principal amount), together with interest accrued thereon to the date of redemption, payable from any source lawfully available therefor, as follows:

<u>Redemption Date</u>	<u>Redemption Price</u>
------------------------	-------------------------

Notice of Redemption:

Notice of redemption of any Bond will be mailed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by U.S. Bank Trust National Association, San Francisco, California, the Bond Registrar designated for this issue of Bonds; such mailing to be not more than 60 nor less than 30 days prior to the date set for redemption. 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 Bonds.

Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal, premium, if any, and interest are payable in lawful money of the United States of America and will be paid to DTC which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement.

Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California. The issuance of the Bonds was authorized by a two-thirds vote of the qualified electors of the District voting at an election held on June 2, 1998.

Security:

Both principal of and interest on the Bonds are payable from an unlimited ad valorem tax levied against all of the taxable property in the District.

Form of Bid:

A prescribed form of bid for the Bonds has been prepared and all bids must be submitted on such form. Bids may be submitted by telefax, providing that the good faith deposit (described below) has been received by the District's Financial Advisor, before 10 A.M. on the date of sale, to the District c/o Sutro & Co., 555 South Flower Street, Suite 3400, Los Angeles, California 90071, at fax no. (2 13) 624-5263. Neither the District, the Financial Advisor or Bond Counsel take any responsibility for any difficulties in receiving fax transmittals prior to the deadline for receipt of bids. A copy of the prescribed bid form is attached hereto. Neither the District, the County, Bond Counsel, nor Financial Advisor will accept responsibility for inaccurate or illegible bids, or for delay due to engaged telephone lines at the place of bid opening, or for delay arising out of any bidder's election to deliver its bid by means other than hand delivery.

Estimate of True Interest Cost:

Bidders are requested (but not required) to supply an estimate of the total true interest cost to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Supervisors of the Santa Cruz County (the "County").

Bid Check:

All bids must be accompanied by a good faith deposit (a "Deposit") in the form of a certified check, a cashier's check or a financial surety bond (a "Financial Surety Bond") in a sum equal to one percent (1%) of the par value of the Bonds, payable to the order of the Tax Collector-Treasurer of the County. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of California, and such Financial Surety Bond must be submitted to the County or to Sutro & Co. Incorporated prior to the opening of the bids. Each Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The County and the Financial Advisor assume no responsibility for any failure of a Financial Surety Bond to list any bidder or to be received on a timely basis as described herein.

If the Bonds are awarded to a bidder using a certified check or cashier's check, then such check will be held by the County following the award to the successful bidder. If, after the award of the Bonds, the successful bidder fails to complete its purchase on the terms stated in its proposal, the Deposit check will be cashed by the County and the proceeds thereof will be retained by the County for the benefit of the District.

If the Bonds are awarded to a bidder using a Financial Surety Bond, then the successful bidder is required to submit its Deposit to the Tax Collector-Treasurer of the County in the form of a cashier's check (or wire transfer as instructed by the County) not later than 3:30 p.m. (California Time) on the next business day following the award. If such check (or wire transfer) is not received by that time, the Financial Surety Bond may be drawn upon by the County to satisfy the Deposit requirement. In the event the successful bidder fails to honor its accepted bid, the Deposit will be retained by the County for the benefit of the District.

If the successful bidder completes its purchase of the Bonds on the terms stated in its proposal, its Deposit will be applied to the purchase of the Bonds on the date of delivery of the Bonds. Checks of the unsuccessful bidders will be returned in person at the time of sale or by mail promptly after the date of sale. No interest will be paid on the Deposit made by any bidder.

CUSIP Numbers and Other Fees:

CUSIP numbers have been applied for and will be printed on the Bonds and the cost of printing thereof and service bureau assignment will be purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Bonds. The successful bidder shall also be required to pay all fees required by The Depository Trust Company, Public Securities Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see, "California Debt and Investment Advisory Commission" below).

Legal Opinion:

The Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation. A copy of the opinion will be attached to the Bonds. Said attorneys have been retained by the District as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Bonds under California law and on the exemption of the interest income on such Bonds from federal and State of California income taxes. Fees of Bond Counsel will be paid from Bond proceeds.

Tax-Exempt Status:

In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from all present State of California personal income taxes, and assuming compliance with certain covenants made by the District and County, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purpose, provided that such interest may be included in the calculation for certain taxes, including the corporate alternative minimum tax and the corporate environmental tax. Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to pick up and pay for the Bonds, and in that event his Deposit will be returned.

Certification of Reoffering Price:

As soon as practicable, but not later than five days following the date of acceptance of the bid for the Bonds, the successful bidder must submit to the District a certificate specifying for each maturity the reoffering price at which at least 10% of the Bonds of such maturity were sold (or were offered in a bona fide public offering and as of the date of award of the Bonds to the successful bidder reasonably expected to be sold) to the public. Such certificate shall be in form and substance satisfactory to Bond Counsel and shall include such additional information as may be requested by Bond Counsel.

Qualification for Insurance:

The District has made application for municipal bond insurance relating to the Bonds. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, the bidder may elect to purchase such insurance. Any purchase of such insurance or commitment therefor shall



be at the sole option and expense of the bidder and any increased costs shall be paid by such bidder. The rating fees of Standard & Poor's Ratings Group ("S&P") and Moody's Investors Services ("Moody's") for the Bonds with or without bond insurance will be paid by the District. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal to purchase the Bonds.

California Debt and Investment Advisory Commission:

The successful bidder will be required, pursuant to state of California law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will invoice the successful bidder after the closing of the Bonds.

No Litigation and Non-Arbitrage:

The District will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also deliver an arbitrage certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

Official Statement:

The District will make available a Preliminary Official Statement relating to the Bonds, a copy of which, along with related documents, will be furnished upon request made by mail to Sutro & Co. Incorporated, 555 S. Flower Street, Suite 3400, Los Angeles, California 90071, the District's Financial Advisor for the Bonds, or telephoned to said advisor at (213) 362-4138, fax (213) 624-5263. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the District for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final official statement. The District shall deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement therein, in light of the circumstances under which they were made, not misleading.

Continuing Disclosure:

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, the District will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking and a form of the Continuing Disclosure Certificate is included in the Preliminary Official Statement.

Ratings:

S&P and Moody's have assigned to the Bonds the ratings shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available over Munifacts. Such rating reflects only the views of such organization and explanation of the significance of such rating may be obtained from them as follows: Standard & Poor's Ratings Group, 55 Water Street, 45th Floor, New York, New York 10041, (212) 208-8000, and Moody's Investors Service, 99 Church Street, New

York, New York 10007, (212) 553-0300. There is no assurance that the ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by either of the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Additional Information:

Copies of the Notice Inviting Proposals for Purchase of Bonds, the form of bid, and the Official Statement relating to the Bonds will be furnished to any bidder upon request made to Sutro & Co. Incorporated, 555 S. Flower Street, Suite 3400, Los Angeles, California 90071, (213) 362-4138, Financial Advisor to the District. Two hundred (200) copies of the Official Statement will be made available to the purchaser without charge within seven business days of the date of sale and additional copies will be made available upon request at the purchaser's expense.

Dated: February __, 2000

CABRILLO COMMUNITY COLLEGE
DISTRICT

By: /s/ John D. Hurd
Superintendent/President

0082

Exhibit B

BID FOR THE PURCHASE OF \$ _____
CABRILLO COMMUNITY COLLEGE DISTRICT
(SANTA CRUZ COUNTY, CALIFORNIA)
1998 GENERAL OBLIGATION BONDS, SERIES B

February __, 2000

Cabrillo Community College District
Santa Cruz County, California

On behalf of a group which we have formed consisting of:

and pursuant to the Notice Inviting Proposals for Purchase of Bonds hereinafter mentioned, we offer to purchase all of the _____ Dollars (\$ _____) principal amount of the Bonds designated as "Cabrillo Community College District (Santa Cruz County, California) 1998 General Obligation Bonds, Series B," maturing on August 1 in the years and amounts and bearing or accreting interest at the rate or rates set forth in the following schedule:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE	INSURANCE	YEAR	PRINCIPAL AMOUNT	INTEREST RATE	INSURANCE
2001	\$ _____	_____	_____	2014	\$ _____	_____	_____
2002	_____	_____	_____	2015	_____	_____	_____
2003	_____	_____	_____	2016	_____	_____	_____
2004	_____	_____	_____	2017	_____	_____	_____
2005	_____	_____	_____	2018	_____	_____	_____
2006	_____	_____	_____	2019	_____	_____	_____
2007	_____	_____	_____	2020	_____	_____	_____
2008	_____	_____	_____	2021	_____	_____	_____
2009	_____	_____	_____	2022	_____	_____	_____
2010	_____	_____	_____	2023	_____	_____	_____
2011	_____	_____	_____	2024	_____	_____	_____
2012	_____	_____	_____	2025	_____	_____	_____
2013	_____	_____	_____				

and to pay therefor the aggregate sum of \$ _____ (representing the \$ _____ principal amount of the Bonds plus an original issue premium of \$ _____), plus interest accrued on such Bonds to the date of delivery thereof.

We hereby elect to combine the maturities of Bonds maturing on the following dates to comprise term bonds:

0083

Redemption Dates

Maturity Date

_____ through _____
_____ through _____
_____ through _____

_____ 1, _____
_____ 1, _____
_____ 1, _____

This bid is submitted with our intention to purchase municipal bond insurance from _____ (fill in if applicable). Such insurance will be obtained at our expense and we will pay any additional rating agency fees associated therewith.

This bid is made subject to all the terms and conditions of the Notice Inviting Proposals for Purchase of Bonds heretofore published, all of which terms and conditions are made a part hereof as fully as though set forth in full in this bid.

As specified in the Notice Inviting Proposals for Purchase of Bonds, this bid is subject to acceptance not later than 26 hours after the expiration of the time for the receipt of bids, and the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation approving the validity of the Bonds will be furnished us (if we are the successful bidder) at the time of the delivery of the Bonds at the expense of the District.

There is submitted herewith a memorandum (which shall not constitute a part of this bid) stating the total true interest cost in dollars on the Bonds during the life of the issue under this bid, and the true interest rate determined thereby.

Respectfully submitted,

Name: _____
(Account Manager)

By: _____

Address: _____

City: _____

State: _____

Phone: _____

BID CHECK (check one):

There is enclosed herewith a certified check or cashier's check in the amount \$ _____ payable to the order of the Tax Collector-Treasurer of Santa Cruz County.

We have provided a financial surety bond as provided in the Notice Inviting Proposals for Purchase of Bonds.

MEMORANDUM OF INTEREST COST: Under the above bid, the total true interest cost on the Bonds during the life of the issue is \$ _____ and the true interest rate determined thereby is _____%.

Exhibit C

NOTICE OF INTENTION TO SELL

\$ _____

CABRILLO COMMUNITY COLLEGE DISTRICT
(Santa Cruz County, California)
1998 General Obligation Bonds
Series B

NOTICE IS HEREBY GIVEN that the Cabrillo Community College District (the "District"), in Santa Cruz County, California, intends to offer for public sale on _____, at the hour of 10:00 a.m. at the office of Sutro & Co. Incorporated, 555 S. Flower Street, Suite 3400, Los Angeles California 90071 \$_____ principal amount of general obligation bonds of the District designated "Cabrillo Community College District (Santa Cruz County, California) 1998 General Obligation Bonds, Series B" (the "Bonds"). Within 26 hours, the Tax Collector-Treasurer of Santa Cruz County, or his designee, in conjunction with the Superintendent/President of the District, will consider the bids received and, if an acceptable bid is received, award the sale of the Bonds on the basis of the true interest cost. In the event that no bid is awarded by the designated time, proposals will be received the following Tuesday at the same time and place specified above and each Tuesday thereafter until such time as a bid is awarded or notice to the contrary is given.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Bids for the Bonds, dated February __, 2000. An Official Statement and a Notice Inviting Bids relating to the Bonds will be furnished upon request mailed to Sutro & Co. Incorporated, 555 S. Flower Street, Suite 3400, Los Angeles, California 90071, attn. Robert Bama, the Financial Advisor to the District for the Bonds.

Dated: February __, 2000

CABRILLO COMMUNITY COLLEGE
DISTRICT

By: _____ /s/ John D. Hurd
Superintendent/President

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Supervisors of Santa Cruz County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of said County duly and regularly and legally held at the regular meeting place thereof on February 1, 2000 of which meeting all of the members of the Board of said County had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: February ____, 2000

Deputy Clerk of the Board of Supervisors