

COUNTY OF SAN MATEO

INTERDEPARTMENTAL CORRESPONDENCE

To: Honorable Board of Supervisors
From: County Counsel
Date: May 31, 2001
Re: Adopt a Resolution Authorizing the Issuance and Sale of Las Lomas Elementary School District Series B General Obligation Bonds

RECOMMENDATION: Adopt a resolution authorizing the issuance and sale of the Las Lomas Elementary School District Series B General Obligation Bonds in an aggregate principal amount not to exceed \$6,000,000, prescribing the terms of the sale of the bonds and authorizing execution of the necessary documents.

BACKGROUND AND DISCUSSION

The voters in the Las Lomas Elementary School District ("District") approved by more than two-thirds of the voters a school bond measure on April 27, 1999, authorizing issuance of bonds in the maximum amount of \$12,000,000. The District issued a first series of bonds in 1999 in the maximum amount of \$6,000,000 ("Series A Bonds"). On May 16, 2001, the District's Board of Trustees passed a resolution authorizing the issuance of a second series of bonds in the aggregate principal amount of \$6,000,000 ("Series B Bonds"), and requesting that the County Board of Supervisors authorize the issuance and sale of the bonds on their behalf.

The bond proceeds will be used for improvement of school sites.

The District is being assisted by Stradling Yocca Carlson & Rauth, as bond counsel and Sutro & Co. as financial advisor.

When the County issues bonds on behalf of a school district, the Education Code provides that issuance and sale of voter approved school bonds must be authorized by both the school district Board of Trustees and the County Board of Supervisors.

SUMMARY

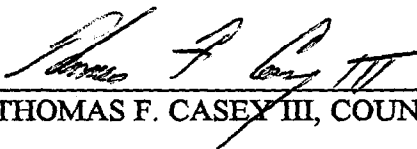
This resolution authorizes the County to issue the Series B Bonds for the Las Lomas Elementary School District and authorizes the President and Clerk of the Board of Supervisors and the Tax Collector-Treasurer to sign the necessary documents.

OTHER REVIEWING AGENCIES

The Board of Trustees of the Las Lomas Elementary School District has passed a resolution requesting your Board to take action.

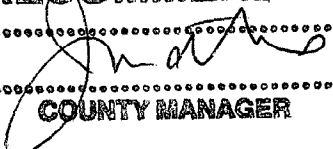
FISCAL IMPACT

These bonds are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds.


THOMAS F. CASEY III, COUNTY COUNSEL

- cc: John L. Maltbie, County Manager
- Lee Buffington, Treasurer-Tax Collector
- Tom Huening, Controller
- Mary Ann Somerville, Superintendent, Las Lomas Elementary School District
- Stradling, Yocca, Carlson & Rauth, Bond Counsel

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RECOMMENDED
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COUNTY MANAGER

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cc: John L. Maltbie, County Manager
Lee Buffington, Treasurer-Tax Collector
Tom Huening, Controller
Mary Ann Somerville, Superintendent, Las Lomas Elementary School District
Stradling, Yocca, Carlson & Rauth, Bond Counsel

RESOLUTION NO. _____

BOARD OF SUPERVISORS, SAN MATEO COUNTY
STATE OF CALIFORNIA

RESOLUTION AUTHORIZING THE ISSUANCE OF LAS LOMITAS
ELEMENTARY SCHOOL DISTRICT (SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES B

WHEREAS, a duly called special election was held in the Las Lomitas Elementary School District, San Mateo County, State of California (hereinafter referred to as the "District"), on April 27, 1999 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at the 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 amount of \$12,000,000 payable from the levy of an ad valorem tax against the taxable property in the District;

WHEREAS, on August 18, 1999 the District issued its \$6,000,000 Election of 1999 General Obligation Bonds, Series A (the "Series A Bonds");

WHEREAS, at this time the Board of Supervisors (the "Board") of the County of San Mateo (the "County") has received the resolution of the governing board of the District requesting the issuance of an additional series of such Bonds in the aggregate principal amount not to exceed \$6,000,000 (the "Series B Bonds");

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

Section 1. Purposes. To raise funds for the purposes authorized by the voters of the District at the Election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the County hereby authorizes the issuance of the Series B Bonds on behalf of the District.

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 and Business Manager of the District, or the Superintendent's designee, are each alone 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.

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 Treasurer-Tax Collector or his designee, of the

bid with the lowest true interest cost so long as the principal amount of Bonds does not exceed \$6,000,000 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 Board 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. Terms of Bonds. The Bonds shall be issued as fully registered Bonds registered as to both principal and interest, in the denominations of \$5,000 or any integral multiple thereof, and, unless otherwise stated in the Official Statement, shall be dated as of July 1, 2001. The Bonds will be initially registered to "Cede & Co.," the nominee of The Depository Trust Company, New York, New York.

The Bonds shall bear interest from the date of the Series B Bonds to maturity of each of the Series B Bonds at a rate or rates such that the interest rate shall not exceed 12% per annum. Interest shall be payable on February 1 and August 1 of each year (the "Interest Payment Dates"), commencing February 1, 2002 (or such other date as may be designated with the Official Statement (defined hereinafter)), until the principal amount has been paid or provided for. Each Bond shall bear interest from the interest 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 interest payment date to the interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless it is authenticated on or before fifteen days prior to the first Interest Payment Date, in which event it shall bear interest from July 1, 2001, or such other date of the Series B Bonds.

The Bonds shall mature on August 1, unless otherwise stated in the Official Statement, of the years and in the amounts determined by the County Treasurer-Tax Collector 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.

Unless otherwise provided for in the Official Statement, the Series B Bonds maturing on or before August 1, 2011, are non-callable. Unless otherwise provided for in the Official Statement, the Series B Bonds maturing on August 1, 2012, 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, 2011, 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 Period</u>	<u>Redemption Price</u>
August 1, 2011 through July 31, 2012	102%
August 1, 2012 through July 31, 2013	101
August 1, 2013 and thereafter	100

The Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity in part (by lot) from moneys in the Series B Debt Service Fund (defined herein) on each August 1 on and after August 1, 20__, at the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without premium, in the principal amounts as set forth in the following table:

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
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If less than all of the Series B 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 Bond Registrar in such manner as the Bond Registrar in its discretion may determine; provided, however, that the portion of any Series B Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar (as defined in Section 10 below) shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Series B 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 the inverse order of their maturities.

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 Bond or Bonds of like tenor and maturity and of authorized denominations equal 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.

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

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the original purchaser of the Series B Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices, and by first class mail, postage prepaid, to the District, the County and the respective Owners of any registered Bonds designated for redemption at their addresses appearing on the Series B Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Any provision relating to the terms of the Series B Bonds may be amended by provisions of the Official Statement.

Section 8. 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 County shall cause the delivery of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination. The ownership of each such 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 Bonds, the County, 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 Bonds. Without limiting the immediately preceding sentence, the County, 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 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 Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry 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 principal, premium, if any, or interest on the book-entry Bonds. The County, the District and the Bond Registrar may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all 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 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 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 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 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 Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry 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 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 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 Bonds are held in book-entry and registered in the name of the Nominee, all payments with respect to principal of and premium, if any, or interest on the Series B Bonds and all notices with respect to such 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 Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such 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 Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of 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 Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new 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 principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in 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 Bonds. The Bonds shall be signed by the President of the Board of Supervisors and the County Treasurer-Tax Collector by their manual signatures and countersigned by the manual signature of and the seal of the County affixed thereto by the Clerk of the Board of Supervisors, all in their official capacities. No 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. This Board does hereby appoint the County Treasurer-Tax Collector, Redwood City, California to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Series B Bonds.

Section 11. Payment. Payment of interest on any Series B Bond on any Interest Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the owner thereof as of the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"), such interest to be paid by check mailed to such owner on the Interest Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Bond Registrar for that purpose on or before the Record Date. The owner of Bonds in an aggregate principal amount 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. Bonds shall be payable upon maturity or prior redemption upon surrender at the principal office of the Bond Registrar. The interest, principal and redemption 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 Series B Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. 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. Transfer and Exchange. So long as any of the Series B Bonds remain outstanding, the District will cause the Bond Registrar to maintain and keep all books and records necessary for the registration, exchange and transfer of the Series B Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 11 above, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of 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 a like aggregate principal amount of other authorized denominations of the same maturity. The Bond Registrar shall require the payment by the bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange at the office of the Bond Registrar.

A Series B Bond may be transferred only on the Bond Register upon presentation and surrender of the Series B Bond at the office of the Bond Registrar together with an assignment executed by the registered 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 Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Series B Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the County are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and

costs of transfer shall be paid by the transferor. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All 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 Bonds that the District and the County may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Bonds shall be made to the District and the County by the Bond Registrar at least twice each calendar year. The cancelled Bonds shall be retained for a period of time and 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 Interest Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Interest Payment Date or 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 13. Form of Bonds. The 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 and the Official Statement.

(Form of Bond)

REGISTERED
NO.

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LAS LOMITAS ELEMENTARY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 1999 GENERAL OBLIGATION BOND, SERIES B

INTEREST RATE:

MATURITY DATE:

DATED AS OF:

CUSIP

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July 1, 2001

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Las Lomitas Elementary School District (the "District") in San Mateo County (the "County"), California, 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 "Interest Payment Dates"), commencing February 1, 2002. This bond will bear interest from the Interest 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 Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before December 15, 2001 in which event it shall bear interest from July 1, 2001. 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 San Mateo County Treasurer-Tax Collector, Redwood City, California (the "Bond Registrar"). Principal is payable when due upon presentation and surrender of this bond at the principal corporate trust office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Interest Payment Date to the owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Bond Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "Record Date"); provided that a Registered Owner of Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Bond Registrar that the registered 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 a series of \$6,000,000 of bonds issued for the purpose to provide adequate classroom space and rehabilitate existing schools, upgrade deteriorating plumbing, heating, ventilation and electrical systems, renovate, construct, and acquire classrooms and upgrade school sites to comply with current fire and safety standards, 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 April 27, 1999, upon the question of issuing bonds in the amount of \$12,000,000 and the resolution of the Board of Trustees of the District adopted on May 16, 2001 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on June 19, 2001 (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.

The bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. This bond is exchangeable and transferable for bonds of other authorized denominations at the office of the Bond Registrar, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the 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.

The Bonds maturing on or before August 1, 2011, are non-callable. The Bonds maturing on August 1, 2012, 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, 2011, 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 Period</u>	<u>Redemption Price</u>
August 1, 2011 through July 31, 2012	102%
August 1, 2012 through July 31, 2013	101
August 1, 2013 and thereafter	100

The Bonds maturing on August 1, 20__ are subject to mandatory redemption prior to their stated maturity in part (by lot) from moneys in the Debt Service Fund (defined herein) on each August 1 on and after August 1, 20__, at the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without premium, in the principal amounts as set forth in the following table:

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
---	-------------------------

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 Bond Registrar in such manner as the Bond Registrar 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 and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000. 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 the inverse order of their maturities.

Upon the surrender of any Bond redeemed in part only, the Bond Registrar shall execute and deliver to the owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal 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.

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

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the original purchaser of the bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices, and, by first class mail, postage prepaid, to the District, the County and the respective Owners of any registered bonds designated for redemption at their addresses appearing on the bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such bonds.

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 Interest Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Interest 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.

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 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 (described on the reverse hereof) until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Las Lomas Elementary School District, San Mateo County, California, has caused this bond to be executed on behalf of the District, in the official capacities and by the manual or facsimile signatures of the President 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.

SAN MATEO COUNTY, CALIFORNIA

By: (FACSIMILE SIGNATURE)
President, Board of Supervisors

COUNTERSIGNED:

(FACSIMILE SIGNATURE)
Clerk, Board of Supervisors

By: (FACSIMILE SIGNATURE)
Treasurer-Tax Collector

LAS LOMITAS ELEMENTARY SCHOOL DISTRICT
(San Mateo County, California)
Election of 1999 General Obligation Bonds, Series B

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein.

Date of Registration and Authentication:

Paying Agent and Bond Registrar

By: _____
Authorized Signatory

DESIGNATION AS QUALIFIED TAX EXEMPT OBLIGATION

This Bond has been determined to be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

(Form of Assignment)

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:

Commercial bank, trust company
or member of a national securities
exchange.

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 any change whatever and the signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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, California, 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

Section 14. Delivery of 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 15. Bond Proceeds. The proceeds from the sale of the Series B Bonds, to the extent of 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 "Las Lomas Elementary School District Series B 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 "Las Lomas Elementary School District Series B General Obligation Bond Interest and Sinking Fund" (the "Debt Service Fund") for the Series B Bonds and used only for payments of principal and interest on the Series B Bonds.

Subject to federal tax restrictions, moneys in the funds created hereunder shall be invested in (i) any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code"); (ii) 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; or (iii) the San Mateo County Investment Pool.

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 principal and interest on the Series B Bonds when due. Interest earned on the investment of moneys held in the Building Fund shall be retained in the Building 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 principal 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.

Section 16. Ad Valorem Tax. 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 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 of and interest on the Series B Bonds when and as the same fall due.

Section 17. Arbitrage Covenant. The District has covenanted in the District Resolution 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 Internal Revenue Code of 1986, as amended, (the "Code") and the applicable regulations prescribed under that section or any predecessor section. Calculations for determining arbitrage rebate requirements are the sole responsibility of the District.

Section 18. Rebate Fund.

(a) The District shall create and establish a special fund designated the Las Lomas Elementary School District Series B 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 (1½%) 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 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 19. Legislative Determinations. Based on representations of the District and to the best knowledge of the Board, 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 20. Official Statement. The Financial Advisor of the District is hereby authorized to distribute copies of 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 Rules 15c2-12 of the Securities and Exchange Commission. Notwithstanding this consent, neither the Board of Supervisors nor any officer of the County has prepared or reviewed the Official Statement of the District describing the Series

B Bonds, and their Board of Supervisors and various officers of the County take no responsibility for the contents or distribution thereof.

Section 21. 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 of or interest on the Series B Bonds, it shall become the owner of such Bonds with the right to payment of principal of or interest on the Series B Bonds, and shall be fully subrogated to all of the registered owners' rights, including the registered 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 registered owners of the Series B Bonds, and (ii) in the case of subrogation as to claims for past due principal or interest, 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 registered owners thereof to the bond insurer or the insurance trustee for the bond insurer.

Section 22. Defeasance. All or any portion of the outstanding maturities of the Series B Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the County an amount of cash which together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal thereof and interest and redemption premium thereon, if any; or

(b) United States Obligations: by irrevocably depositing with the County, the Bond Registrar, or a third-party escrow agent, 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 the Series B Bonds outstanding and designated for defeasance (including all principal thereof and interest and redemption premium, if any, thereon) at or before their maturity date;

then, notwithstanding that any of such designated Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to all of such designated outstanding Bonds shall cease and terminate, except only the obligation of the County and the Bond Registrar 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 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 wherein (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 Moody's if the Series B Bonds are then rated by Moody's and "AAA" by Standard & Poor's if the Series B Bonds are then rated by Standard & Poor's.

Section 23. Authorized 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 24. Distribution of Resolution. The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Auditor-Controller and the Treasurer-Tax Collector of San Mateo County.

Section 25. Right to Bid on Bonds. The Financial Advisor may bid for the Series B Bonds at public sale and this Resolution constitutes authorization of the County for such a bid. The Financial Advisor may, however, decline to bid on the Series B Bonds. If the Financial Advisor is the successful bidder for the Series B Bonds, it shall nevertheless be entitled to payment for its services as Financial Advisor.

Section 26. Effective Date. This Resolution shall take effect immediately upon its passage.

DULY PASSED AND ADOPTED this 19th day of June, 2001, by the Board of Supervisors of San Mateo County, by the following vote:

AYES:

NOES:

ABSENT:

President
Board of Supervisors
San Mateo County

ATTEST:

Clerk of the Board of Supervisors
San Mateo County

By: _____

Exhibit A

NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS
\$6,000,000*
LAS LOMITAS ELEMENTARY SCHOOL DISTRICT
(SAN MATEO COUNTY, CALIFORNIA)
ELECTION OF 1999 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 Wednesday, July 11, 2001, at the offices of the District's Financial Advisor Sutro & Co., 555 South Flower Street, Suite 3400, Los Angeles, California 90071, or electronically via the Parity Electronic Bid Submission System ("PARITY") of Dalcomp, a division of Thomson Information Services, Inc. ("Dalcomp"), in the manner described below, for the purchase of all, but not less than all, of \$6,000,000* principal amount of Las Lomitas Elementary School District, San Mateo County, California, Election of 1999 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 Tuesday, at the same time and location until such time as the sale is awarded.

Issue:

The Bonds will be dated July 1, 2001, will be in the denomination of \$5,000 each, or integral multiples thereof, and will bear interest from the date of the Bonds to the maturity of each of the Bonds at the rate or rates such that the interest rate shall not exceed 12% per annum, with interest payable on February 1, 2002 and semiannually thereafter on February 1 and August 1 of each year during the term of each of the Bonds. The Bonds mature on August 1 in each of the years 2002 to 2026, inclusive, as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2002	\$	2015	\$
2003	\$	2016	
2004		2017	
2005		2018	
2006		2019	
2007		2020	
2008		2021	
2009		2022	
2010		2023	
2011		2024	
2012		2025	
2013		2026	
2014			

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

*Preliminary, subject to change.

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 Las Lomas Elementary School 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 Treasurer-Tax Collector (the "Treasurer") of San Mateo 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 \$6,000,000. 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 Bonds maturing on or before August 1, 2011 are non-callable. The Bonds maturing on August 1, 2012, 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, 2011, 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 Period</u>	<u>Redemption Price</u>
August 1, 2011 through July 31, 2012	102%
August 1, 2012 through July 31, 2013	101
August 1, 2013 and thereafter	100

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 the San Mateo County Treasurer-Tax Collector, Redwood City, 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 a special election held on April 27, 1999.

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. Incorporated, 555 South Flower Street, Suite 3400, Los Angeles, California 90071, at fax no. (213) 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.

Electronic bids will also be accepted, providing that the good faith deposit (described below) has been received. All bids which are submitted electronically via PARITY pursuant to the procedures described below shall be deemed to constitute a Proposal for Purchase of the Bonds and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Proposal for Purchase of the Bonds.

Procedures Regarding Electronic Bidding:

Bids may be submitted electronically via PARITY in accordance with this Notice Inviting Proposals, until 10:00 a.m., Pacific Standard Time, on Wednesday, July 11, 2001, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals, the terms of this Notice Inviting Proposals shall control. For further information about PARITY, potential bidders may contact the Financial Advisor or PARITY at Dalcomp at (212) 806-8304. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The District may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted on the Proposal for Purchase of the Bonds, provided by the District and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the District, the terms of the Proposal for Purchase of the Bonds and the Notice Inviting Proposals and the information that is electronically transmitted through PARITY shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the District, and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the District or information provided by the bidder.

3. The District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via Thomson News Service no later than 5:00 p.m. (Pacific Standard Time) on the last business date prior to the date of sale.

4. Once the bids are communicated electronically via PARITY to the District as described above, each bid will constitute a Proposal for Purchase of the Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Proposals. For purposes of submitting all Proposals for Purchase of the Bonds, whether by hand delivery, facsimile or electronically via PARITY, the time as maintained on PARITY shall constitute the official time.

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals. Neither the District nor Dalcomp shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Dalcomp shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the State harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

In the event that both an electronic bid and a facsimile bid from a single bidder are received at or prior to the bid receipt deadline, and to the extent that there is an inconsistency in the interest rates or price bid, the facsimile shall be deemed to be the bid submitted. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals.

WARNING REGARDING ELECTRONIC BIDS: THE DISTRICT WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, THAT THE DISTRICT NEITHER ENDORSES NOR EXPLICITLY ENCOURAGES THE USE OF PARITY, AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE DISTRICT. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE DISTRICT ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE DISTRICT SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE DISTRICT WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER THE DISTRICT, THE FINANCIAL ADVISOR AND BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE DISTRICT AT THE PLACE OF BID OPENING, AND THE DISTRICT SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME.

IN THE EVENT OF A MALFUNCTION IN THE ELECTRONIC BIDDING PROCESS, BIDDERS SHOULD SUBMIT THEIR BIDS ON THE OFFICIAL BID FORM ATTACHED HERETO BY FACSIMILE TO: (213) 624-5263.

WARNINGS REGARDING FACSIMILE BIDS: NEITHER THE DISTRICT, THE FINANCIAL ADVISOR, NOR THE DISTRICT'S BOND COUNSEL SHALL BE RESPONSIBLE FOR, AND THE BIDDER EXPRESSLY ASSUMES THE RISK OF, ANY INCOMPLETE, ILLEGIBLE OR UNTIMELY BID SUBMITTED BY SUCH BIDDER BY FACSIMILE TRANSMISSION, INCLUDING, WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSION, MECHANICAL FAILURE, ENGAGED TELEPHONE OR TELECOMMUNICATIONS LINES AT THE PLACE OF BID OPENING, OR ANY OTHER CAUSE FOR REJECTION 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 San Mateo 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 Treasurer-Tax Collector 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 Treasurer-Tax Collector 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 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 or bond rating resulting therefrom 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 and Moody's for the Bonds 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 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 arbitration 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, 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: June __, 2001

LAS LOMITAS ELEMENTARY SCHOOL
DISTRICT

By: _____ /s/
Superintendent

Exhibit B

BID FOR THE PURCHASE OF \$6,000,000
 LAS LOMITAS ELEMENTARY SCHOOL DISTRICT
 (SAN MATEO COUNTY, CALIFORNIA)
 ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES B

_____, __, 2001

Las Lomitas Elementary School District
 San Mateo 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 Six Million Dollars (\$6,000,000) principal amount of the Bonds designated as "Las Lomitas Elementary School District (San Mateo County, California) Election of 1999 General Obligation Bonds, Series B," maturing on August 1 in the years and amounts and bearing interest at the rate or rates set forth in the following schedule:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE	INSURANCE	YEAR	PRINCIPAL AMOUNT	INTEREST RATE	INSURANCE
2002	\$ _____	_____	_____	2015	\$ _____	_____	_____
2003	_____	_____	_____	2016	_____	_____	_____
2004	_____	_____	_____	2017	_____	_____	_____
2005	_____	_____	_____	2018	_____	_____	_____
2006	_____	_____	_____	2019	_____	_____	_____
2007	_____	_____	_____	2020	_____	_____	_____
2008	_____	_____	_____	2021	_____	_____	_____
2009	_____	_____	_____	2022	_____	_____	_____
2010	_____	_____	_____	2023	_____	_____	_____
2011	_____	_____	_____	2024	_____	_____	_____
2012	_____	_____	_____	2025	_____	_____	_____
2013	_____	_____	_____	2026	_____	_____	_____
2014	_____	_____	_____				

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:

Redemption Dates

_____ through _____
_____ through _____
_____ through _____

Maturity Date

_____ 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 Treasurer-Tax Collector of San Mateo 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

\$6,000,000

LAS LOMITAS ELEMENTARY SCHOOL DISTRICT
(San Mateo County, California)
Election of 1999 General Obligation Bonds
Series B

NOTICE IS HEREBY GIVEN that the Las Lomas Elementary School District (the "District"), in San Mateo County, California, intends to offer for public sale on Wednesday, July 11, 2001, 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 \$6,000,000 principal amount of general obligation bonds of the District designated "Las Lomas Elementary School District (San Mateo County, California) Election of 1999 General Obligation Bonds, Series B" (the "Bonds"). Within 26 hours, the Treasurer-Tax Collector of San Mateo County, or his designee, in conjunction with the Superintendent 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 net interest cost. In the event that no bid is awarded by the designated time, proposals will be received the following Wednesday at the same time and place specified above and each Wednesday thereafter until such time as a bid is awarded or notice to the contrary is given.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds, dated July 1, 2001, will be offered for public sale subject to the terms and conditions of the Notice Inviting Bids for the Bonds, dated June __, 2001. 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, the financial consultant to the District for the Bonds.

Dated: June __, 2001

LAS LOMITAS ELEMENTARY SCHOOL
DISTRICT

By: _____/s/
Superintendent