
OFFICIAL NOTICE OF SALE

\$6,000,000*
CERES UNIFIED SCHOOL DISTRICT
Stanislaus County, California
2009-2010 Tax and Revenue Anticipation Notes

NOTICE IS HEREBY GIVEN that electronic proposals only will be received by representatives of the Ceres Unified School District (the “District”), on the date and up to the time and in the manner described below, for the purchase of all, but not less than all, of the \$6,000,000 principal amount of Ceres Unified School District, Stanislaus County, California, 2009-2010 Tax and Revenue Anticipation Notes (the “Notes”).

Date: _____, October __, 2009
Time: 9:30 a.m. to 10:00 a.m., Pacific time**
Electronic Bids: May be submitted only through **PARITY™** as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

Preliminary Official Statement. The Notes are more particularly described below and in the Preliminary Official Statement dated _____, 2009, relating to the Notes, available at the i-Deal Prospectus website, www.i-dealprospectus.com. For assistance in obtaining the Preliminary Official Statement from this website, contact i-Deal Prospectus' customer service or the District's financial advisor, Jon Armstrong, Vice President, KNN Public Finance, at (510) 839-8202.

Right to Modify Notice of Sale and to Postpone or Cancel Sale. The District reserves the right, in its sole discretion, to modify or amend this Notice of Sale including, but not limited to, the right to adjust and change the total principal amount and principal amortization schedule of the Notes being offered, and to postpone the sale of the Notes to a later date or time or to cancel the sale. Notice of a change to the Notice of Sale or a postponement or cancellation of the sale will be communicated through The Bond Buyer Wire or the Bloomberg Business News (collectively, the “News Services”) not later than 2:00 p.m. Pacific time on the business day prior to the bid opening or, in the case of a cancellation, at any time prior to the receipt of bids. If the sale is postponed, a later public sale may be held on a date and at a time to be announced at least 20 hours in advance through the News Services. Failure of any bidder to receive such notice through the News Services shall not affect the sufficiency of any required notice or the legality of the sale. The District also reserves the right to adjust the principal amounts and maturities of the Notes offered after the bids are opened as further described under “Adjustment of Principal Amounts.”

Financial Advisor or Parent Corporation Will Not Submit Bid. Neither the District's Financial Advisor, KNN Public Finance, nor Zions First National Bank, parent corporation of KNN Public Finance, will submit a bid for the Notes.

* Subject to change before the sale date and time as provided herein.

DESCRIPTION OF THE NOTES

The authority for issuance, purpose, security and sources of payment, principal and interest repayment, and all other information regarding the Notes are presented in the Preliminary Official Statement, which each bidder is deemed to have obtained and reviewed prior to bidding for the Notes. This Official Notice of Sale governs only the terms of sale, bidding, award and closing procedures for the Notes. The description of the Notes contained in this Official Notice of Sale is qualified in all respects by the description contained in the Preliminary Official Statement.

The Notes are generally described as follows:

Authority and Purpose for Issuance. The Notes are to be issued pursuant to the provisions of Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code, the provisions of the resolution of the Board of Supervisors of Stanislaus County (the "County"), and the provisions of the resolution of the Board of Trustees of the District for any purpose for which the District is authorized to expend moneys.

Security for the Notes. The principal amount of the Notes, together with the interest thereon, shall be payable only from taxes, income, revenue, cash receipts, and other moneys that are received or accrued by the County on behalf of the District during Fiscal Year 2009-2010, and that are available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes, the District has pledged an amount equal to fifty percent (50%) of the principal amount of the Notes from Unrestricted Revenues received by the District in the month ending February 28, 2010, an amount equal to fifty percent (50%) of the principal amount of the Notes from Unrestricted Revenues received by the District in the month ending April 30, 2010, and an amount sufficient to pay interest on the Notes at maturity and to make up any deficiency in the amounts required to be deposited during any prior month, from Unrestricted Revenues received by the District in the month ending May 31, 2010 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge against and shall be payable from the first money received by the District from such Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

Said pledged moneys shall be deposited by the County Treasurer-Tax Collector in a special fund established, created and maintained in the County Treasury by the County Treasurer-Tax Collector in the name of the District. Moneys shall be withdrawn from said funds for the sole purpose of paying the principal of and the interest on the Notes at their maturity.

Neither the County nor the Board has any liability to pay principal of or interest on the Notes and the Notes are payable solely from the funds of the District set forth above.

Form of Notes; Book-Entry Only. The Notes consists of fully registered notes, without coupons. The Notes will be issued in minimum denominations of \$1,000 principal amount. The Notes will be issued in a book entry only system with no physical distribution of the Notes made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Notes which will be immobilized in its custody. The Notes will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Notes. As of the date of award of the Notes, the successful Bidder must either participate in DTC or must clear through or maintain a custodial relationship with an entity that participates in DTC.

Date and Maturity. The Notes will be dated the date of delivery, and will mature on _____, 2010 (the "Maturity Date").

Interest Rate. The maximum interest rate bid the Notes may not exceed five percent (5%) per annum, payable upon maturity of the Notes.

Redemption. The Notes are not subject to call and redemption prior to maturity.

Payment. The principal of and interest on the Notes will be payable on the Maturity Date. Both principal and interest are payable in lawful money of the United States of America to DTC which will immediately credit the account of the successful Bidder as participants in the DTC system.

TERMS OF SALE

Submission of Bids. Only electronic bids submitted via PARITY™ will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the District will be accepted. Bidders are permitted to submit bids for the Notes during the bidding time period, provided they are eligible to bid as described under "Eligibility to Bid". Each electronic bid submitted via PARITY™ for the purchase of the Notes shall be deemed an offer to purchase the Notes in response to this Notice of Sale, and shall be binding upon the Bidder as if made by a signed, sealed bid delivered to the District.

Electronic Bidding. The use of PARITY™ electronic bidding shall be at the bidder's risk and expense, and the District shall have no liability with respect thereto. The District is using electronic bidding as a communications medium and PARITY™ is not acting as the District's agent. If any provisions of this Notice of Sale, as may be amended by notice through the News Services, conflict with information provided by PARITY™, this Notice of Sale shall control. The District is not bound by any advice or determination of PARITY™ as to whether any bid complies with the terms of this Notice of Sale. The time as maintained by PARITY™ shall constitute the official time with respect to all bids submitted.

Eligibility to Bid. The District does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BidCOMP Competitive Bidding System and should promptly contact PARITY™ directly for information about PARITY™, including its rules and fees, and becoming a contracted customer.

Limitations on Interest Rates Specified. The maximum interest rate bid the Notes may not exceed ten percent (10%) per annum, payable upon maturity of the Notes. Bidders must specify the rate of interest which the Notes shall bear, provided that: (i) bids must be for all Notes; (ii) no Note shall bear more than one rate of interest; (iii) each Note shall bear interest from its date to its stated maturity at the interest rate specified in the bid; and (iv) the interest rate specified must be in a multiple of 1/1,000 of one percent (1/1,000th of 1%).

Basis of Award. Bids must be for all of the Notes. The Notes will be awarded on the basis of the lowest true interest cost including premium offered in the proposals. No bid for less than par and accrued interest (which interest shall be computed on a 360-day year basis) will be entertained. In the event two or more bids setting forth identical interest rates and premium per dollar principal amount, if any, and aggregating a principal amount in excess of the principal amount of unawarded Notes are received, the District reserves the right to exercise its discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as it shall determine.

Underwriting Group. Each Bidder is requested to furnish the names of all firms participating in the bid.

No Good Faith Deposit Required. A good faith deposit will *not* be required in connection with the submission of a bid for the Notes.

Right of Rejection and Waiver of Irregularity. The District reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid that does not materially affect such bid or change the ranking of the bids.

Prompt Award. The District, acting through the Financial Advisor, will award the Notes, or reject all bids, not later than forty-eight (48) hours after the expiration of time herein prescribed for the receipt of bids, provided that the award may be made after the specified time if the Bidder shall not have given to the District a notice in writing of the withdrawal of such bid.

CLOSING PROCEDURES AND DOCUMENTS

Delivery and Payment. It is estimated that the delivery of the Notes will be made to DTC for the account of the successful bidders on or about _____, 2009. Payment of the purchase price must be made in funds immediately available to the County Treasurer-Tax Collector.

Right of Cancellation. The successful Bidder shall have the right, at its option, to cancel its obligation to purchase the Notes if the District shall fail to tender the Notes for delivery within 30 days from the date of sale thereof.

Change in Tax Exempt Status. At any time before the Notes are tendered for delivery, any successful Bidder may disaffirm and withdraw its proposal if the interest received by private holders from notes of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes by the terms of any federal income tax law enacted subsequent to the date of this notice.

Certification of Reoffering Price. The successful Bidder shall be required, as a condition to the delivery of the Notes by the District, to certify to the District in writing that, as of the date of award, (i) the Notes were expected to be reoffered in a bona fide public offering, and (ii) the price at which the Notes was expected to be sold to the public, in the form and substance satisfactory to the District and Bond Counsel.

Continuing Disclosure. In order to assist Bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District will undertake, pursuant to separate Continuing Disclosure Certificates, to provide notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the Preliminary Official Statement relating to the Notes and will also be set forth in a final Official Statement relating to the Notes.

Official Statement. In accordance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the District deems the Preliminary Official Statement final as of its date, except for the omission of certain information permitted by Rule 15c2-12. Additional copies of the Preliminary Official Statement when available will be furnished upon request made to the Financial Advisor, or an electronic copy is available at www.i-dealprospectus.com.

Within seven business days after the date of award of the Notes, the successful Bidder will be furnished with a reasonable number of copies (not to exceed 40) of the final Official Statement, without charge. Upon the request of the successful Bidder within two (2) days of the award of the Notes, the District will supply additional copies of the Official Statement at the expense of the successful Bidder.

By making a bid for the Notes, each Bidder agrees, if awarded the Notes, (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements, (ii) to promptly file a copy of the final Official Statement, including any supplements, with a nationally recognized municipal securities information repository, as defined in Rule 15c2-12, and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Notes to the ultimate purchasers, including without limitation the delivery of a final Official Statement to each investor who purchases Notes.

The form and content of the final Official Statement of the District is within the sole discretion of the District. The successful Bidder's name will *not* appear on the cover of the Official Statement.

Closing Papers; Legal Opinion. Each proposal will be conditioned upon the District furnishing to each successful bidder, without charge, concurrently with payment for and delivery of the Notes, the following closing papers, each dated the date of such delivery:

(a) The opinion of Bond Counsel, approving the validity of the Notes and stating that, subject to certain qualifications, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes; such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, nor is such interest taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations; and such interest is exempt from California personal income taxes, a copy of which opinion (certified by the official in whose office the original is filed) will be delivered with the Notes without cost to the successful Bidder;

(b) A certificate of the Superintendent or other appropriate official of the District that on the basis of the facts, estimates and circumstances in existence on the date of issue, it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended;

(c) A certificates on behalf of the District that there is no litigation threatened or pending affecting the validity of the Notes;

(d) A certificate of the Superintendent or other appropriate official of the District, acting on behalf of the District solely in his or her official and not in his or her personal capacity, that at the time of the sale of the Notes and at all times subsequent thereto up to and including the time of the delivery of the Notes to the initial successful Bidder thereof, the OS did not, and does not, contain any untrue statement of a material fact or omit to state a material fact necessary which would make the statements misleading in the light of the circumstances under which they were made;

(e) The signature certificate of the officials of the Board, showing that they have signed the Notes and impressed the seal of the Board thereon, and that they were respectively duly authorized to execute the same; and

(f) The receipt of the County Treasurer-Tax Collector showing that the purchase price of the Notes has been received.

ADDITIONAL INFORMATION

Requests for information concerning the District and/or the Notes should be addressed to the Financial Advisor:

KNN Public Finance
1333 Broadway, Suite 1000
Oakland, CA 94612
(510) 839-8200
(510) 208-8282 (Fax)