

OFFICIAL NOTICE OF SALE

\$10,000,000*

**PIEDMONT UNIFIED SCHOOL DISTRICT
(ALAMEDA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES D
(QUALIFIED SCHOOL CONSTRUCTION BONDS)**

NOTICE IS HEREBY GIVEN by the Board of Education of the Piedmont Unified School District that bids will be received by a representative of the District for the purchase of \$10,000,000* principal amount of bonds of the District designated the "Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Qualified School Construction Bonds)" (the "Bonds"). Bids will be received in electronic form via PARITY® on:

WEDNESDAY, APRIL 20, 2011

at 9:30 a.m. Pacific Time; provided that the District reserves the right to postpone or change the sale date upon 24 hours notice delivered via Thomson Municipal Market Monitor (www.tm3.com), Bloomberg Financial Markets or The Bond Buyer not less than 24 hours before the time for receipt of bids. The Bonds will be issued under the provisions of a Resolution adopted by the Board of Education of the District on March 23, 2011 (the "Resolution") and pursuant to the laws of the State of California. The Bonds are more particularly described in the Resolution on file with the District (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

DESCRIPTION OF THE BONDS

PURPOSE: The proceeds of the Bonds will be applied by the District for the purpose of financing the acquisition and construction of educational facilities, in accordance with the ballot proposition under which the issuance of the Bonds has been authorized.

ISSUE; BOOK-ENTRY FORM: The Bonds will be dated as of their date of delivery and will be issued in denominations of \$5,000 or any integral multiple thereof. The Bonds will be issued in a book entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds 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 Bonds.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on August 1 in each of the years, and in the amounts, as set forth in the following table. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, is subject to increase or reduction as described below under the heading "Adjustment of Principal Amounts". *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

*Preliminary, subject to change.

Maturity Date (August 1)	Principal Amount
	\$

PAYMENT PROVISIONS: Interest on the Bonds will be payable on _____, and on February 1 and August 1 in each year thereafter (the "Interest Payment Dates"), to the registered owners by check or draft of U.S. Bank National Association, as Paying Agent (the "Paying Agent") or, in the case of the owner of Bonds in an aggregate principal amount of at least \$1,000,000, at the written request of such owner by wire transfer. Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof at the office of the Paying Agent.

OPTIONAL REDEMPTION: The Bonds maturing on or before _____ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after _____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after _____, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

SINKING FUND REDEMPTION: Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. In the event that the bid of the successful bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the District, and the District has directed Alameda County to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount for the payment of the Bonds and the interest thereon.

TAXABLE STATUS: In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the "Tax Code"). The District has irrevocably elected to apply the provisions of Section 6431(f) of the Tax Code to the Bonds, and the Bonds are specified tax credit bonds ("Qualified Bonds") eligible for the credit payable by the Federal government under Section 6431(f) of the Tax Code (the "Bond Subsidy Payments"). Bidders are referred to the Preliminary Official Statement for a description of the proposed opinion of Bond Counsel. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond at the expense of the District.

FURTHER INFORMATION: A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the financial consultant to the District: KNN Public Finance, 1333 Broadway, Suite 1000, Oakland, California 94612, telephone: (510) 839-8200. Such documents are also available from Thompson Prospectus/i-Deal.

MUNICIPAL BOND INSURANCE: The District has applied to certain bond insurance companies to qualify the Bonds for municipal bond insurance. Information concerning the availability of municipal bond insurance may be obtained by contacting the financial advisor to the District, KNN Public Finance, 1333 Broadway, Suite 1000, Oakland, California 94612, telephone: (510) 839-8200. If the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance will be issued. If the winning bidder elects to obtain any policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and the District will have no responsibility for payment of such premium and costs.

TERMS OF SALE

RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE: The District reserves the right to postpone or change the sale date upon 24 hours notice delivered via Thomson Municipal Market Monitor (www.tm3.com), Bloomberg Financial Markets or The Bond Buyer not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

SUBMISSION OF BIDS: Bids must be delivered electronically through PARITY. *The winning bidder will be required to submit a good faith deposit as more fully described below under the caption "GOOD FAITH DEPOSIT" following the award of the Bonds.* Faxed bids will not be accepted.

ELECTRONIC BIDS. Electronic bids must conform with the procedures established by PARITY. Solely as an accommodation to bidders, electronic bids will be received exclusively through PARITY in accordance with this Official Notice of Sale until 9:30 a.m. California Time, but no bid will be received after the time specified for receiving bids. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the District's Financial Advisor, KNN Public Finance, 1333 Broadway, Suite 1000, Oakland, California 94612, telephone: (510) 839-8200.

WARNING REGARDING ELECTRONIC BIDS: The District will accept bids in electronic form solely through PARITY. 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.

FORM OF BID; MINIMUM PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds may not be less than the par value of the Bonds. No bid will be entertained which provides for a discount on the sale of the Bonds.

DESIGNATION OF INTEREST RATES ON BONDS: Each bidder must specify the rate or rates of interest which the Current Interest Bonds will bear. The maximum rate bid on any Current Interest Bond may not exceed 12.00% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Current Interest Bonds, but:

- each interest rate specified must be in a multiple of 1/20% or 1/8%;
- no Current Interest Bond may bear more than one rate of interest;
- interest on each Current Interest Bond will be computed from the date of original delivery to its stated maturity at the interest rate specified in the proposal, payable on the Interest Payment Dates as set forth above; and
- all Current Interest Bonds maturing at any one time will bear the same rate of interest.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest rate on the Bonds. The true interest rate specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of original delivery (which is assumed to be _____, 2011) to their respective maturity dates or mandatory sinking fund redemption dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest rate represented by any proposal, the purchase price specified in such proposal shall be equal to the par amount of the Bonds plus any premium specified in such proposal, and the true interest rate shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds.

ADJUSTMENT OF PRINCIPAL MATURITIES: The District reserves the right to increase or decrease the principal amount of any maturity of the Bonds (or, in the case of the term Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on August 1 in any year). Notice of such increase or decrease shall be given to the successful bidder as soon as practicable following the notification of award, as described below. The District will

attempt to maintain total underwriter compensation when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined.

RIGHT OF REJECTION: The District reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Education of the District has authorized the Superintendent or Assistant Superintendent of Business Services, on behalf of the District, to accept the best responsible bid for the purchase of the Bonds and to accept such bid, for and in the name of the District, by notice to the successful bidder. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Superintendent and the Assistant Superintendent of Business Services, on behalf of the District, have been authorized to exercise discretion and judgment in making the award and may award the Bonds on a pro rata basis in such denominations as he shall determine. The Superintendent or the Assistant Superintendent of Business Services, on behalf of the District, has further been authorized, in their discretion, to reject any and all bids and waive any irregularity or informality in any bid. The District shall award the Bonds or reject all bids not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said District notice in writing of the withdrawal of such proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered to DTC for the account of the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

GOOD FAITH DEPOSIT: A good faith deposit (the "Deposit") in the form of a certified or cashier's check payable to the Treasurer-Tax Collector of Alameda County or a wire transfer to the Treasurer-Tax Collector of Alameda County as directed by the Financial Advisor in the amount of \$100,000 is required to be made by the successful bidder following the award of the Bonds. If a check is used, it must be drawn on a California bank. Said Deposit must be received not later than 3:30 p.m. California time on the next business day following the award. No interest on the Deposit will accrue to the purchaser. The amount of the Deposit will be applied as a credit towards the payment of the purchase price by 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 full amount of the good faith deposit will be retained by the District.

STATEMENT OF TRUE INTEREST RATE: Each bidder is requested, but not required, to state in its proposal the percentage true interest rate represented by its proposal, determined as described above, which shall be considered as informative only and not binding on either the bidder or the District.

CERTIFICATION OF REOFFERING PRICE: The winning bidder will be required, as a condition to the delivery of the Bonds by the District, to deliver to the District a certificate identifying the prices at which it reasonably expects to initially offer each maturity of the Bonds to the general public (the "Initial Offering Prices") as of the date of purchase of the Bonds (the "Sale Date"). The winning bidder will also be required, on or prior to the date of issue of the Bonds, to actually offer 100% of each maturity of the Bonds to the general public in a bona fide public offering for

prices equal to or less than the Initial Offering Prices. As of the date of issue of the Bonds, the winning bidder be required execute a certificate to be prepared by Bond Counsel which states: (a) the reoffering prices of the Bonds, (b) that, as of the Sale Date, taking into account market conditions, the winning bidder had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices, (c) that, as of the Sale Date, at least 10% of each maturity of the Bonds was initially sold to the general public for the respective Initial Offering Prices, other than specifically identified maturities of the Bonds, and (d) that, in the opinion of the winning bidder, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District or the District, or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District; *provided, however,* that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

CALIFORNIA DEBT INVESTMENT AND ADVISORY COMMISSION FEES: All fees payable to the California Debt Investment and Advisory Commission in connection with the issuance of the Bonds shall be the responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The District has approved a preliminary Official Statement relating to the Bonds. Copies of such preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the District for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Within seven business days from the sale date, the District will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the District and the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as shall have been approved by the District (the "Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The District will furnish to the successful bidder, at no charge, not in excess of one hundred (100) copies of the Official Statement for use in connection with any resale of the Bonds.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District will execute and deliver a Continuing Disclosure Certificate, under which the District undertakes to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the District, and the failure by the District to deliver such document in form and substance

acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

GIVEN by order of the Board of Education of the Piedmont Unified School District by resolution adopted March 23, 2011.

NOTICE OF INTENTION

\$10,000,000*

**PIEDMONT UNIFIED SCHOOL DISTRICT
(ALAMEDA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2006, SERIES D
(QUALIFIED SCHOOL CONSTRUCTION BONDS)**

NOTICE IS HEREBY GIVEN by the Board of Education of the Piedmont Unified School District that bids will be received by a representative of the District for the purchase of \$10,000,000* principal amount of bonds of the District designated the "Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Qualified School Construction Bonds)" (the "Bonds"). Bids will be received in electronic form via PARITY® on:

WEDNESDAY, APRIL 20, 2011

at 9:30 a.m. Pacific Time; provided that the District reserves the right to postpone or change the sale date upon 24 hours notice delivered via Thomson Municipal Market Monitor (www.tm3.com), Bloomberg Financial Markets or The Bond Buyer not less than 24 hours before the time for receipt of bids. Further information, including copies of the Preliminary Official Statement, Official Notice of Sale and information regarding PARITY and the electronic bidding process, may be obtained from KNN Public Finance, A Division of Zions First National Bank, at 1333 Broadway, Suite 1000, Oakland, California, 94612, (510) 839-8200. Bidders are referred to the Official Notice of Sale of the Bonds for further particulars concerning the terms and conditions of the sale.

GIVEN by order of the Board of Education of the Piedmont Unified School District by resolution adopted March 23, 2011.

Dated: April __, 2011

* Preliminary, subject to change.