

[THIS MAY BE COMBINED WITH OTHER SCHOOL DISTRICT NOTES BEING SOLD ON THE SAME DAY]

OFFICIAL NOTICE OF SALE

\$ _____
SEQUOIA UNION HIGH SCHOOL DISTRICT
(San Mateo County, California)
2004 Tax and Revenue Anticipation Notes

(THE PRINCIPAL AMOUNT IS PRELIMINARY AND SUBJECT TO CHANGE)

NOTICE IS HEREBY GIVEN that electronic bid proposals (see "FORM OF BID" below) will be received by the Board of Supervisors of San Mateo County, California (the "Board"), in the name of the Sequoia Union High School District (the "District"), on the Grant Street Group's MuniAuction website (www.muniauction.com), between 9:00 A.M. and 9:30 A.M., Pacific time, on:

THURSDAY, JUNE 3, 2004

for the purchase of the \$ _____ Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes (the "Notes"), more particularly described below.

The MuniAuction website is accessible via the auction link on the Grant Street Group Home Page at either www.GrantStreet.com or www.MuniAuction.com.

ISSUE AND DENOMINATION; BOOK ENTRY ONLY SYSTEM: The Notes consists of fully registered notes, without coupons. The Notes will be issued in minimum denominations of \$1,000. 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.

DATE AND MATURITY: The Notes will be dated the date of delivery, and will mature on _____, 2005 (the "Maturity Date").

INTEREST RATE: The maximum interest rate bid the Notes may not exceed twelve percent (12%) 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%).

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

PAYMENT: Interest on the Notes will be payable on the Maturity Date. Principal of 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 or bidders as participants in the DTC system.

PURPOSE OF ISSUE: The Notes are to be issued by the Board in the name of the District and are authorized 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 and the provisions of the resolution of the Board for any purpose for which the District is authorized to expend moneys.

SECURITY: The Notes are an obligation of the District and are secured by a pledge of and first lien and charge against the first "unrestricted moneys," as hereinafter defined, to be received by the County, on behalf of the District, (a) in an amount equal to ___ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, 2005, (b) in an amount equal to ___ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, 2005, and (c) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District in _____, 2005. The term "unrestricted moneys" means taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Said pledged moneys shall be deposited by the County Treasurer-Tax Collector in a special fund created by the County Controller and maintained 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.

By statute, the Notes are declared to be general obligations of the District and to the extent not paid from said pledged moneys shall be paid, with the interest thereon, from any other moneys of the District lawfully available therefor. Under provisions of the California Constitution, the District is generally prohibited from incurring any indebtedness or liability exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of its qualified electors voting at an election called for such purpose.

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.

TERMS OF SALE

BEST BID: *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 Superintendent or the designee thereof, pursuant to delegation by the Board, reserves the right to exercise his or her discretion and judgment in making the award and may award the Notes on a pro rata basis in such denominations as he or she shall determine.

NO GOOD FAITH DEPOSIT REQUIRED: A good faith deposit will *not* be required in connection with the submission of a bid for the Notes.

FORM OF BID: Bids may be submitted electronically only.

Bids must be submitted through the MuniAuction website between 9:00 A.M. and 9:30 A.M., Pacific time on Thursday, June 3, 2004. The auctions will begin at 9:00 A.M. To bid via the MuniAuction website, bidders must have both (1) completed the registration form on the MuniAuction website and (2) requested and received admission to a particular auction, as described below. THE USE OF MUNIAUCTION SHALL BE AT THE BIDDER'S RISK AND EXPENSE, AND NEITHER THE DISTRICT, THE BOARD, KELLING, NORTHCROSS & NOBRIGA (THE "FINANCIAL ADVISOR") NOR QUINT & THIMMIG LLP ("BOND COUNSEL") SHALL HAVE ANY LIABILITY WITH RESPECT THERETO.

Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group (parent of MuniAuction) may call auction support at (412) 391-5555 (ext.370) for their ID Number or password.

BIDDING DETAILS: Bidders may change and submit bids as many times as they like during the bidding time period; *provided, however*, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC, the prior bid will remain valid. The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will see whether their bid is a leading bid relative to other bids.

The "Rules" of MuniAuction can be viewed on the MuniAuction website and are incorporated herein by reference. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this Notice of Sale. To the extent there is a conflict between the Rules of MuniAuction and this Notice of Sale, this Notice of Sale shall control.

(1) A Bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Notes at the rate and price of the winning bid, if acceptable to the Board, as set forth in this Notice of Sale. Winning Bids are not officially awarded to winning Bidders until formally accepted by the Board.

(2) MuniAuction (the "Auction Administrator") is not responsible for technical difficulties that result in loss of a Bidder's internet connection with MuniAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon the Bidder, unless the Board exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any).

(6) Neither the Financial Advisor nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the POS (as hereinafter defined) as they appear on MuniAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. The Financial Advisor and the Auction Administrator reserve the right to deny access to the MuniAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the Financial Advisor nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.

(9) If two bids submitted in the same auction by the same or different Bidders result in the same TIC, the first bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC.

(10) Bidders must compare their final bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with final results shown on Observation Pages they must report them to MuniAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, and regardless of verbal confirmation of the winning bid, Notes are definitively awarded to the winning bidder only upon official award by the Board. If, for any reason, the Board fails to: (i) award the Notes to the winner reported by MuniAuction, or (ii) deliver Notes to winning bidders at settlement, neither the Financial Advisor nor the Auction Administrator will be liable for damages.

RIGHT OF REJECTION: The Superintendent or the designee thereof, pursuant to delegation by the Board of Trustees of the District, reserves the right, in his or her discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

PROMPT AWARD: The Superintendent or the designee thereof, pursuant to delegation by the Board of Trustees of the District, will take action awarding the sale of the Notes or reject all bids not later than 26 hours after the expiration of time herein prescribed for the receipt of bids and until such expiration of time all bids received shall be irrevocable. Unless such time of award is waived by the successful bidder, the award may be made after the expiration of the specified time if the bidder shall not have given to the Board notice in writing of the withdrawal of such proposal. Notice of the award will be given promptly to the successful bidder.

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 July 1, 2004. Payment of the purchase price must be made in funds immediately available to the County Treasurer-Tax Collector by wire transfer or other means acceptable to the County Treasurer-Tax Collector.

RIGHT OF CANCELLATION OF SALE BY BOARD: The Board reserves the right, in its sole discretion, at any time to cancel the public sale of the Notes. In such event, the Board shall cause notice of cancellation of this invitation for bids and the public sale of the Notes to be communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* as promptly as practicable. However, no failure to publish such notice or any defect or omission therein shall affect the cancellation of the public sale of the Notes.

RIGHT TO MODIFY OR AMEND: The Board reserves the right, in its sole discretion, to modify or amend this official Notice of Sale with respect to its Notes including, but not limited to, the right to adjust and change the principal amount and principal amortization schedule of the Notes being offered, however, such modifications or amendments shall be made not later than 10:00 A.M., California time, on the business day prior to the bid opening and communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire*.

RIGHT OF POSTPONEMENT BY BOARD: The Board reserves the right, in its sole discretion, to postpone, from time to time, the date established for the receipt of bids for its the Notes. Any such postponement will be communicated through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* not later than 10:00 A.M., California time, on the business day prior to any announced date for receipt of bids. If any date is postponed, any alternative sale date will be announced through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* at least 24 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Notes in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced through the Amendments Page of the MuniAuction website and through the *Bond Buyer Wire* at the time the sale date and time are announced.

RIGHT OF REJECTION: The Board reserves the right, in its sole discretion, to reject any and all bids for the Notes and to waive any irregularity or informality in any bid except that no bids will be accepted later than 9:30 A.M. on the date set for receipt of bids.

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 Board, to certify to the Board and 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 Board, 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 (the "POS") and will also be set forth in a final official statement relating to the Notes (the "OS").

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, although for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings and is exempt from State of 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 purchaser;

(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;

(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 purchasers 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.

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

Ms. Makiko Sato
Kelling, Northcross & Nobriga
1333 Broadway, Suite 1000
Oakland, CA 94612
(510) 839-8200
(510) 208-8282 (Fax)

OFFICIAL STATEMENT: The POS is available for viewing in electronic format on the MuniAuction website. The MuniAuction website address is www.MuniAuction.com. In addition, NASD registered broker-dealers and dealer banks with DTC clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to June 1, 2004, elect to receive a photocopy of the POS in the mail by requesting it on the MuniAuction website or by contacting the Financial Advisor as specified above. In order to print a copy or request a photocopy of the POS from MuniAuction, click the "View POS" button on the MuniAuction Selections Page and follow the instructions. All bidders must review the POS and certify that they have done so prior to participating in the bidding.

The POS is in a form "deemed final" by the District for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion. The Board will provide each

successful bidder such number of printed copies the OS as such bidder may request. Up to 50 copies of the OS will be furnished without cost and any additional copies will be furnished at the expense of the bidders.

GIVEN pursuant to resolution of the Board.

Dated: _____, 2004

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the SEQUOIA UNION HIGH SCHOOL DISTRICT (the "District") in connection with the issuance by the Board of Supervisors of San Mateo County (the "Board") in the name of the District of \$_____ Sequoia Union High School District (San Mateo County, California) 2004 Tax and Revenue Anticipation Notes (the "Notes"). The Notes are being issued pursuant to a resolution adopted by the Board of Trustees of the District on March 31, 2004, and a resolution adopted by the Board on May 4, 2004 (collectively, the "Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

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

"*Listed Events*" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"*National Repository*" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"*Participating Underwriter*" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

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

"*State Repository*" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security.
- (vii) Modifications to rights of security holders.
- (viii) Contingent or unscheduled bond calls.
- (ix) Defeasances.
- (x) Release, substitution, or sale of property securing repayment of the securities.
- (xi) Rating changes.

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

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

Section 4. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the District shall give notice of such termination in the same manner as for a Listed Event under Section 3(c).

Section 5. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the District.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

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

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Notes, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Notes.

Section 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 8. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: July 1, 2004

SEQUOIA UNION HIGH SCHOOL
DISTRICT

By _____
Name _____
Title _____