

**NOTICE OF PRIVATE COMPETITIVE BOND SALE**

\$190,652

CUBA-RUSHFORD CENTRAL SCHOOL DISTRICT  
ALLEGANY COUNTY, NEW YORK  
SCHOOL DISTRICT BONDS, 2012 (SERIAL BONDS OR SIB)

(DESIGNATED/BANK QUALIFIED)

Dated Date: February 23, 2012  
Maturity Dates: February 15, 2013-2017, inclusive  
Sale Date: February 9, 2012  
Bids Accepted Until: 11:00 A.M. (Prevailing Time)  
Location: Fiscal Advisors & Marketing, Inc.  
120 Walton Street, Suite 600  
Syracuse, New York 13202

Telephone (315) 752-0051 (ext. 1), fax (315) 752-0057 or written proposals will be received and considered by the undersigned President of the Board of Education (or such President’s designated agent) of the Cuba-Rushford Central School District, Allegany County, New York (the “District”) as outlined above for the purchase of \$190,652 School District Bonds, 2012, of the District (the “Bonds”). The Bonds are being issued to finance the acquisition of school buses to be used in the transportation program of the District. The Bonds will be issued either in the form of serial bonds or in the form of a statutory installment bond, in the discretion of the successful bidder.

The Bonds will be valid and legally binding general obligations of the District, for the payment of which the District has pledged its faith and credit. All the taxable real property in the District will be subject to the levy of *ad valorem* real estate taxes to pay the principal of the Bonds and the interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). The New York State Constitution requires the District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon, and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes. The President of the Board of Education may be required to set apart and apply such revenues as aforesaid at the suit of any holder of the Bonds.

The Bonds are payable in annual installments on February 15 in each year as follows:

<u>Year</u>	<u>Amount</u>
2013	\$35,652
2014	35,000
2015	40,000
2016	40,000
2017	40,000

The Bonds will not be subject to redemption, in whole or in part, prior to maturity.

The Bonds will be dated February 23, 2012 and will mature on February 15 in the years and amounts stated above and will bear interest payable on August 15, 2012 and semi-annually thereafter on February 15 and August 15 in each year until maturity. The record date of the Bonds will be the last business day of the calendar month preceding each interest payment date.

At the option of the successful bidder, the Bonds may be issued in the form of a single statutory installment bond, bearing a single rate of interest and having annual payments paid at the same time, and in the same amounts, as the serial bond maturities set forth above. A bidder may bid under either or both scenarios, and the Bonds will be awarded in the form that offers the lowest overall net interest cost to the District, as measured over the life of the issue.

The Bonds will be initially issued in the form of registered bonds, and at the option of the initial purchaser, may be in the form of serial bonds registered either to the Depository Trust Company (“DTC”) or to the purchaser, or in the form of a registered statutory installment bond registered in the name of the purchaser.

If the Bonds will be issued in registered form by means of a book-entry system with no physical distribution of bond certificates made to the public, one bond certificate for each maturity will be issued to the Depository Trust Company or its nominee (“DTC”) and will be immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000, or any integral multiple thereof (with the exception of one bond of an odd denomination maturing in 2013), with transfer of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its nominee, to be held in trust until maturity. Interest on the Bonds and the principal of the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of the beneficial owners. The District will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If the Bonds are issued in the form of a registered statutory installment bond (or if the Bonds are registered in the name of the purchaser), principal and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be designated by the District. In the case of a statutory installment bond, the Bonds will be issued in registered form in denominations such that one payment of principal and interest will be due annually pursuant to Section 62.10 of the Local Finance Law.

THE BONDS WILL BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” PURSUANT TO SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”).

Each proposal must be for all of the Bonds and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all Bonds maturing in any one calendar year, (ii) the maximum difference between the highest and lowest rates of interest bid for the Bonds may not exceed one and one-half percentum (150 basis points) per annum, (iii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on Bonds maturing in any particular calendar year shall not be less than the rate of interest applicable to Bonds maturing in any prior calendar year and (iv) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one percentum per annum. No proposed purchase price may be less than the par value of the principal amount of the Bonds. No proposal for less than all of the Bonds will be considered. Each successful bidder shall be obligated to pay the price bid plus accrued interest on the Bonds from February 23, 2012 to the date of delivery. A bid for a statutory installment bond issue shall state a single interest rate.

Written proposals for the purchase of the Bonds should be addressed as follows to the Sale Officer, viz.: Doug Crandall, President of the Board of Education of the Cuba-Rushford Central School District, c/o Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202. A good faith deposit will not be required. The right is reserved to reject any or all bids, and except as hereinafter provided, any bid not complying with the terms of this notice in all material respects may be rejected.

Unless all bids are rejected, the Bonds will be awarded to the bidder complying with the terms of sale and offering to purchase the Bonds at such rate or rates of interest as will produce the lowest net interest cost computed in accordance with the net interest cost method of calculation, that being the rate or rates of interest which will produce the least interest cost over the life of the Bonds, after accounting for the premium offered, if any. In the event the District receives two or more bids specifying the same lowest net interest cost, then the successful bidder shall be selected by the President of the Board of Education by lot from among all such bidders. Notwithstanding anything herein to the contrary, the District reserves the right to waive any technical defects, omissions or other deficiencies in the form of any proposal submitted for consideration.

Award of the Bonds to a successful bidder, or rejection of any bids, is expected to be made promptly after the opening of the bids, but a successful bidder may not withdraw its proposal until after 5:00 o'clock P.M. (Prevailing Time) on the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

If the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy

of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds in accordance with the terms of this notice.

The Bonds shall be paid for in Federal Funds or other funds available for immediate credit in New York, New York on or about February 23, 2012, or at such other place and time as may be agreed upon with the successful bidder.

THE DISTRICT RESERVES THE RIGHT TO CHANGE THE DATE AND TIME FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN ONE HOUR PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF BOND SALE OVER TM3.

In the event that prior to the delivery of the Bonds, the income received by owners from bonds of the same type and character becomes includable in the gross income of such owners for federal income tax purposes, the successful bidder may, at its election, be relieved of its obligations hereunder to purchase the Bonds.

CUSIP identification numbers will be printed on the Bonds if Bond Counsel is provided with such numbers by the close of business on the date of sale of the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the District, provided, however, that the CUSIP Service Bureau charge for the assignment of CUSIP numbers shall be the responsibility of and shall be paid for by the purchaser.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the Bonds: (i) a Closing Certificate, evidencing receipt for the proceeds of the Bonds and a signature certificate, which will include a statement that no litigation is pending or, to the knowledge of the signers, threatened, affecting the Bonds, (ii) a tax certificate executed on behalf of the District which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Bonds that the District will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds to be excluded from the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereof, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (b) refrain from taking action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes, and (iii) the approving opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, to the effect that the Bonds are valid and legally binding general obligations of the District for which the District has pledged its faith and credit and, unless paid from other sources, all the real property within the District is subject to the levy of *ad valorem* real estate taxes to pay the Bonds and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Section 97 of the 2011 Laws of New York).

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (with certain limited exceptions to be noted in the opinion of Bond Counsel), and such interest is exempt from New York State and New York City personal income taxes.

The purchaser shall be obligated to furnish to the District, when and if requested, prior to the delivery of the Bonds, such information requested by the District as shall be necessary to enable the District to determine the "issue price" of the Bonds as defined in Sections 1273 or 1274 of the Code.

Additional copies of this Notice of Private Competitive Bond Sale or any other additional information may be directed to Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, Phone 315.752.0051, Fax 315.752.0057.

Dated: January 31, 2012

Doug Crandall,  
President of the Board of Education  
Cuba-Rushford Central School District

PROPOSAL FOR SERIAL BONDS

Doug Crandall  
 President, Board of Education  
 Cuba-Rushford Central School District  
 Allegany County, New York  
 c/o Fiscal Advisors & Marketing, Inc.  
 120 Walton Street, Suite 600  
 Syracuse, New York 13202  
 Telephone: (315) 752-0051 (ext. 1)  
 Facsimile: (315) 752-0057

**SALE DATE: February 9, 2012**  
**TIME: 11:00 A.M. Prevailing Time**

Dear President Crandall:

For the \$190,652 SCHOOL DISTRICT SERIAL BONDS, 2012 of the Cuba-Rushford Central School District, Allegany County, New York, described in the annexed Notice of Private Competitive Bond Sale, the terms of which are hereby made a part of this bid, we will pay par plus a premium of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and accrued interest to date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2013	\$35,652	_____ %
2014	35,000	_____ %
2015	40,000	_____ %
2016	40,000	_____ %
2017	40,000	_____ %

\_\_\_\_\_  
 Signature of Bidder

\_\_\_\_\_  
 Bank/Institution

Telephone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Telefax: \_\_\_\_\_

Please select one of the following:

\_\_\_\_\_ Registered in Name of Bidder

\_\_\_\_\_ Book-Entry/DTC

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Private Competitive Bond Sale but not constituting any part of the foregoing proposal for the purchase of the \$190,652 Bonds therein described:

Gross Interest	\$ _____
Less Premium Bid Over Par	\$ _____
Net Interest Cost	\$ _____
Effective Net Interest Rate	_____ %
	(four decimals)

PROPOSAL FOR STATUTORY INSTALLMENT BOND

Doug Crandall  
President, Board of Education  
Cuba-Rushford Central School District  
Allegany County, New York  
c/o Fiscal Advisors & Marketing, Inc.  
120 Walton Street, Suite 600  
Syracuse, New York 13202  
Telephone: (315) 752-0051 (ext. 1)  
Facsimile: (315) 752-0057

**SALE DATE: February 9, 2012**  
**TIME: 11:00 A.M. Prevailing Time**

Dear President Crandall:

For the \$190,652 SCHOOL DISTRICT STATUTORY INSTALLMENT BOND, 2012 of the Cuba-Rushford Central School District, Allegany County, New York, described in the annexed Notice of Private Competitive Bond Sale, the terms of which are hereby made a part of this bid, we will pay par plus a premium of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and accrued interest to the date of delivery, provided that the Statutory Installment Bond shall bear interest at \_\_\_\_\_% per annum.

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Private Competitive Bond Sale but not constituting any part of the foregoing proposal for the purchase of the \$190,652 Statutory Installment Bond therein described:

Gross Interest	\$ _____
Less Premium Bid Over Par	\$ _____
Net Interest Cost	\$ _____
Effective Net Interest Rate	_____%

(four decimals)

\_\_\_\_\_  
Signature of Bidder

\_\_\_\_\_  
Bank/Institution

Telephone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Telefax: \_\_\_\_\_