

NOTICE OF SALE

**GRANVILLE CENTRAL SCHOOL DISTRICT**

**WASHINGTON COUNTY, NEW YORK**

**\$15,170,000 Bond Anticipation Notes, 2010**

Telephone (315-752-0051, **Ext. 1**), telefax (315-752-0057) or written proposals will be received by the undersigned President of the Board of Education of the Granville Central School District, Washington County, New York, (the "School District") at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street - Suite 600, Syracuse, New York 13202, until **11:00 A.M.**, Prevailing Time, on the **11<sup>th</sup> day of February, 2010** for the purchase in Federal Funds, at not less than par and accrued interest of \$15,170,000 Bond Anticipation Notes, 2010 (the "Notes") to be dated February 25, 2010 and maturing February 25, 2011, with interest payable at maturity. The Notes are to be issued without option of prior redemption.

Principal and interest on the Notes are payable at maturity in lawful money of the United States of America (Federal Funds). The Notes will be issued in the denomination of \$5,000 each or integral multiples thereof, as may be designated by the purchaser(s).

The Notes will be valid and legally binding general obligations of the School District, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The School District will pledge its faith and credit for the payment of the principal of the Notes and interest thereon.

The purchaser(s) shall have the option of having the Notes issued in bearer form or in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. If the Notes are issued in bearer form, principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) authorized to do business in the State of New York as may be selected by the successful bidder(s) as the place or places for the payment of the principal and interest on the Notes. Paying agent fees, if any, are to be paid by the purchaser(s).

If the purchaser(s) requests the Notes to be issued in registered form, the School District will act as Paying Agent for the Notes. If the purchaser(s) requests the Notes to be issued in bearer form, the purchaser(s) will act as Paying Agent for the Notes. The School District contact information is as follows: Ms. Catherine Somich, Business Manager, 58 Quaker Street, Granville, New York 12832, Phone: (518) 642-1051, Telefax: (518) 642-2491, email: csomich@granvillecsd.org.

Each bid may be for all or any part of the Notes and shall state a single rate of interest therefor in a multiple of 1/100 or 1/8 of one per centum per annum. Interest will be calculated on the basis of a 360-day year of 12 30-day months. Any bidder(s) may submit two separate bids at different rates of interest. Each bid must be for not less than the par value of the Notes bid for. All or none bids will be rejected.

The Notes will be awarded to the bidder(s) offering the lowest net interest cost, that being the rate of interest which will produce the least interest cost over the life of the Notes, after accounting for the premium offered, if any. If two or more bids offering to purchase the same principal amount of Notes at the same lowest net interest rate are received, an award will be made by lot from among such lowest bids. In any event, the award of the Notes will be made on the basis of the bid or combination of bids offering to purchase the Notes on terms most favorable to the School District. The right is reserved by the School District to reject any and all bids and any bid not complying with this Notice of Sale will be rejected.

The Notes will be delivered in New York City or as may be agreed with the purchaser(s) on or about February 25, 2010. The purchase price of the Notes, in accordance with the purchaser(s)'s bid, shall be paid in Federal Funds or other funds available for immediate credit on the delivery date.

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

As a condition to each purchaser(s)'s obligation to accept delivery of and pay for the Notes, such purchaser(s) will be furnished, without cost, the following, dated as of the date of the delivery of and payment for said Notes: (i) a Closing Certificate, constituting a receipt for the Note proceeds and a signature certificate, which will include a statement that no litigation is pending, or to the knowledge of the signers, threatened affecting the Notes, and (ii) the unqualified legal opinion of the law firm of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, to the effect that the Notes are valid and legally binding obligations of the Granville Central School District, Washington County, New York, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that among other things, the Code includes certain requirements that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excluded from gross income to the recipients thereof, and that under existing law and assuming compliance with certain covenants, interest on the Notes is excluded from gross income for Federal income tax purposes, and, by virtue of the Local Finance Law, interest on the Notes is exempt from personal income taxes of the State of New York and its political subdivisions. In the opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of Federal alternative minimum tax imposed on individuals; however, interest on the Notes held by a corporate taxpayer is included in the relevant income computation for calculation of Federal alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The successful bidder(s) will be required to provide to the School District within five (5) days after the award of the Notes certain information regarding the re-offering price to the public of the Notes. The successful bidder(s) shall furnish to the School District a certificate acceptable to Bond Counsel, dated as of the day of closing of the Notes, stating the initial prices at which a bona fide public offering of all of the Notes was made and stating that 10% or more of the Notes were in fact sold to the public (excluding bond houses, brokers and other intermediaries) at or below such initial respective public offering prices. Such certificate shall state that it is made on the best knowledge, information and belief of the successful bidder(s) after appropriate investigation.

Any party executing and delivering a bid for the Notes agrees, if its bid is accepted by the School District, to provide to the School District, in writing, within two business days after the date of such award, all information which said successful bidder(s) determines is necessary for it to comply with SEC Rule 15c2-12, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within five business days following receipt by the School District thereof, the School District will furnish to the successful bidder(s), in reasonable quantities as requested by the successful bidder(s), copies of the Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder(s) to provide such information will prevent the School District from furnishing such Official Statement as described above. The School District shall not be responsible or liable in any manner for the successful bidder's(s)' determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder(s) or for failure to furnish such Official Statements as described above which results from a failure by the successful bidder(s) to provide the aforementioned information within the time specified. Acceptance by the successful bidder(s) of such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligations of the School District with respect to the preparation and delivery thereof.

*UNLESS AN EXEMPTION APPLIES PURSUANT TO PARAGRAPH (d)(1) OR (c)(2) OF RULE 15c2-12 OF THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE SCHOOL DISTRICT WILL COVENANT TO PROVIDE NOTICES OF ANY MATERIAL EVENTS TO A NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORY OR TO THE MUNICIPAL SECURITIES RULEMAKING BOARD, AND THE APPROPRIATE STATE INFORMATION DEPOSITORY, IF ANY.*

**Dated: February 2, 2010**

**KATHY NELSON**  
**President of the Board of Education**

