

NOTICE OF SALE

**VALLEY CENTRAL SCHOOL DISTRICT AT MONTGOMERY  
ORANGE COUNTY, NEW YORK**

**\$5,291,300 Bond Anticipation (Renewal) Notes, Series 2012A**

Telephone (315-752-0051 Ext.1), telefax (315-752-0057) or written proposals will be received and considered by the undersigned President, Board of Education of the Valley Central School District at Montgomery, Orange 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 **14th day of February 2012** for the purchase in Federal Funds, at not less than par and accrued interest of \$5,291,300 Bond Anticipation (Renewal) Notes, Series 2012A (the "Notes") to be dated February 23, 2012 and maturing June 29, 2012 with interest payable at maturity. The Notes are to be issued without option of prior redemption.

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, subject to the applicable provisions of Chapter 97 of the Laws of 2011 for payment of the principle of and interest on the Notes. The School District will pledge its faith and credit for the payment of the principal of the Notes and interest thereon.

The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) Internal Revenue Code of 1986, as amended (the "Code").

Principal and interest on the Notes are payable at maturity in lawful money of the United States of America (Federal Funds). The purchaser(s) shall have the right to designate a bank or banks located and authorized to do business in the State of New York 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). The Notes will be issued in bearer form in the denomination of \$5,000 each or multiples thereof, except for one necessary odd denomination. The purchaser(s) shall have the option of having the Notes issued 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, as described in the Official Statement prepared in conjunction with this issue.

Each bid may be for all or any part of the Notes and state a single rate of interest therefore in a multiple of 1/100 or 1/8 of one per centum per annum. Bidders may bid for different amounts at different rates. Interest will be calculated on the basis of a 360-day year and a 30-day month. Each bid must be for not less than the par value of the Notes bid for.

The School District's contact information is as follows: Mr. Stephen Bangert, Assistant Superintendent for Business, 944 Route 17K, Montgomery, New York 12549, Phone: (845) 457-2400 x 18122, Telefax: (845) 457-4254, Email: sbangert@vcasd.ouboces.org

The Notes will be awarded to the bidder or bidders 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. In the event bids offering the same lowest net interest cost are received, an award will be made first on the basis of the greatest amount bid for, and if tied as to the amount bid for, then by lot from among such lowest bids. The School District reserves the right to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any, specified by such bidder will be pro-rated. In any event, the award of the Notes will be made on the basis of the bid or combination of bids for 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 23, 2012. 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 the purchaser provides Bond Counsel with such numbers by telefax or any other mode of written communication (verbal advice will not be accepted) by 5:00 o'clock P.M. on the date following 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 thereof to accept delivery of and pay for the Notes in accordance with the terms of the purchase contract. 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 obligation to accept delivery of and pay for the Notes, such purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the Notes: (i) a certificate of the President of the Board of Education certifying that (a) as of the date of the Official Statement furnished by the School District in relation to the Notes which Official Statement is deemed by the School District to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and except for the omission therefrom of those items allowable under said Rule, said Official Statement did not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement, (ii) 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, (iii) an arbitrage certificate executed on behalf of the School District which will include, among other things, covenants, relating to compliance with the Code with the owners of the Notes that the School District will, among other things, (A) take all actions on its part necessary to cause interest on the Notes not to be includable in 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 Notes and investment earnings thereon, 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 any action which would cause interest on the Notes 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 Notes and investment earnings thereon on certain specified purposes; (iv) a Certificate of the School District, executed by the President of the Board of Education, stating that the School District has agreed, in accordance with the Rule, to provide, or cause to be provided, timely notice of the occurrence of certain material events with respect to the Notes, and (v) the unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Notes and matters covered by such legal opinion. Furthermore, reference should be made to the information under the headings "LEGAL MATTERS" and "TAX MATTERS" in the Official Statement.

Following the sale of the Notes, the successful bidder(s) will be required to provide to the School District 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 determines is necessary for it to comply with the Rule, 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, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder 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 determination of information necessary to comply with the Rule or the accuracy of any such information provided by the successful bidder or for failure to furnish such Official Statements as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder 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.

**VALLEY CENTRAL SCHOOL DISTRICT AT MONTGOMERY**

**Dated: January 26, 2012**

**ROBERT W. SANTO**  
**PRESIDENT OF THE BOARD OF EDUCATION AND**  
**CHIEF FISCAL OFFICER**

