

## NOTICE OF SALE

# WEBUTUCK (NORTHEAST) CENTRAL SCHOOL DISTRICT DUTCHESS AND COLUMBIA COUNTIES, NEW YORK

## **\$305,000 Bond Anticipation Notes, 2010**

Telefax (315-752-0057), telephone (315-752-0051, **Ext. 1**) or written bids will be received and considered by the undersigned President of the Board of Education of the Webutuck (Northeast) Central School District, Dutchess and Columbia Counties, New York, at the offices of Fiscal Advisors & Marketing, Inc. 120 Walton Street • Suite 600, Syracuse, New York 13202, until **11:30 A.M.**, Prevailing Time on the **6<sup>th</sup> day of May, 2010** for the purchase in Federal Funds, at not less than par and accrued interest of \$305,000 Bond Anticipation Notes, 2010 (the "Notes") to be dated May 13, 2010 and maturing December 2, 2010, 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 said 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 said Notes and interest thereon.

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the School District Law, the New York State Local Finance Law and a bond resolution adopted by the Board of Education of the School District on October 19, 2009 authorizing \$705,000 to finance the renovation and reconstruction of portions of the District's school buildings. The proceeds of the Notes will provide \$305,000 in new monies for the aforementioned purposes.

The purchaser shall have the option of having the Notes issued in bearer form in denominations of \$5,000 or multiples thereof, or in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). 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 or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, shall be paid by the purchaser.

If the purchaser requests that the Notes be issued in registered form, the School District will act as Paying Agent for the Notes. The School District's contact information is as follows: Ms. Mary Grden, Interim Business Administrator, 194 Haight Road, Amenia, New York 12501, Phone: (845) 373-4100, Telefax: (845) 373-4102, Email: mgrden@webutuckschools.org. If the purchaser requests that the Notes be issued in bearer form, the purchaser will act as Paying Agent for the Notes.

Said Notes will be delivered in New York, New York or at such place as may be agreed with the purchaser on or about May 13, 2010. The purchase price of said Notes, in accordance with the purchaser's bid, shall be paid in Federal Funds or other funds available for immediate credit on said delivery date.

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

Each bid must be for all of the Notes and state a single rate of interest therefor in a multiple of one-hundredth (1/100th) or one-eighth (1/8th) of one per centum (1%) per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of this Notice of Sale and offering to purchase the Notes at 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 Notes at the same lowest net interest rate are received, an award will be made by lot from among such lowest bids. The right is reserved by the School District to reject all bids.

If the purchaser notifies Bond Counsel by 3:00 o'clock P.M., Prevailing Time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the Purchaser chooses registered notes, as a condition to delivery of the Notes, the successful bidder will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of DTC, and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership

interests in the Notes may only be made through book entries (without certificates issued by the School District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable by the School District by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. 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 by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The School District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

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 3:00 o'clock P.M. on the day 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 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.

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

As a condition to the 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 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 Webutuck (Northeast) Central School District, Dutchess and Columbia Counties, 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 assuming satisfaction of such requirements, 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 on individuals and corporations. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; and (b) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Notes to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Notes, (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under Section 1375 of the Code for Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under Section 32(i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit.

A Noteholder's Federal, State and local tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature and extent of these other consequences will depend upon Noteholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any other such tax consequences. The purchaser of the Notes should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

There is no Official Statement which accompanies this Notice of Sale.

**WEBUTUCK CENTRAL SCHOOL DISTRICT**

**Dated: April 28, 2010**

**DALE CULVER**  
**President of the Board of Education**

**PROPOSAL FOR NOTES**

**WEBUTUCK (NORTHEAST) CENTRAL SCHOOL DISTRICT  
DUTCHESS AND COLUMBIA COUNTIES, NEW YORK**

**SALE DATE: May 6, 2010  
11:30 A.M., Prevailing Time**

Mr. Dale Culver  
President of the Board of Education  
Webutuck (Northeast) Central School District  
Dutchess and Columbia Counties, New York  
c/o Fiscal Advisors & Marketing, Inc.  
120 Walton Street • Suite 600  
Syracuse, New York 13202  
Telephone # 315-752-0051, Ext. 1  
Telefax # 315-752-0057

**\$305,000 Bond Anticipation Notes, 2010**

**Dated: May 13, 2010**

**Maturity: December 2, 2010**

Dear Mr. Culver:

For the \$305,000 principal amount of the Bond Anticipation Notes, 2010 of the Webutuck (Northeast) Central School District, Dutchess and Columbia Counties, New York as described in the annexed Notice of Sale which is hereby made a part of this bid, we will pay \_\_\_\_\_ Dollars (\$\_\_\_\_\_) and accrued interest to date of delivery with Notes to bear interest from their date until their maturity at the rate of \_\_\_\_\_ per centum (\_\_\_\_\_% ) per annum.

Gross Interest \$ \_\_\_\_\_

Less Premium \$ \_\_\_\_\_

Net Interest Cost \$ \_\_\_\_\_

Net Interest Rate \_\_\_\_\_ %  
(four decimals)

\_\_\_\_\_  
Print Name of Bidder

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

Telephone ( ) \_\_\_\_\_

Telefax ( ) \_\_\_\_\_

Email Address \_\_\_\_\_