

**EASTCHESTER UNION FREE SCHOOL DISTRICT
IN THE COUNTY OF WESTCHESTER**

NEW YORK

NOTICE OF \$1,247,383 BOND SALE

SEALED PROPOSALS will be received by the President of the Board of Education, Eastchester Union Free School District, New York, at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York, on **Tuesday, June 15, 2010**, until 10:30 A.M. (Prevailing Time) at which time they will be publicly opened and announced, for the purchase of **\$1,247,383 SCHOOL DISTRICT SERIAL BONDS-2010**, due on June 15, in the annual principal installments as shown below:

\$117,383 in the year 2012;
\$125,000 in the year 2013;
\$130,000 in the year 2014;
\$135,000 in the year 2015;
\$140,000 in the year 2016;
\$140,000 in the year 2017;
\$150,000 in the year 2018;
\$150,000 in the year 2019; and
\$160,000 in the year 2020.

The District reserves the right to change the time and/or date of the bid opening, and notice thereof shall be provided at least 24 hours prior to the time set forth above and transmitted over the Thomson Municipal Newswire.

The Bonds will be dated June 15, 2010, and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable December 15, 2010 and semiannually thereafter on June 15 and December 15 in each year to maturity.

The Bonds will be issued in the form of fully registered bonds, in denominations corresponding to the total principal amounts due in each year of maturity. As a condition to delivery of the Bonds, the successful bidder will be required to cause the bond certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("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 beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the 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, except for one necessary odd denomination. Principal of and interest on the Bonds will be payable by the District or its agent by wire transfer or in clearinghouse funds 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 by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The 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.

The Bonds will not be subject to redemption prior to maturity.

Each proposal must be a bid of not less than \$1,247,383 for all of the Bonds and must state in a multiple of one-hundredth of 1% or a multiple of one-eighth of 1%, the rate or rates of interest per annum which the Bonds are to bear 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) 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 (iii) the maximum difference between the highest and lowest rates of interest bid for the Bonds may not exceed 1-1/2% per annum. Each proposal must be enclosed in a sealed envelope and should be marked on the outside "Proposal for Bonds" and be addressed as follows to the Sale Officer, viz.: Ms. Willa Brody Hughes, President of the Board of Education, Eastchester Union Free School District, c/o Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202.

As a condition precedent to the consideration of his proposal, a good faith deposit (the "Deposit") in the amount of \$24,950 is required for each bid to be considered. Such Deposit may be in the form of: (i) a certified or cashier's check payable to the order of "Eastchester Union Free School District, New York," (ii) a financial surety bond, or (iii) a wire transfer in accordance with instructions set forth herein. If a wire transfer is used, it must be sent to the account so designated by the District for such purpose, not later than 10:00 A.M. on the date of the sale and the wire reference number must be provided on the "Proposal for Bonds" when the bid is submitted. Bidders must contact Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, (telephone number 315-752-0051; fax: 315-752-0057), the District's Financial Advisors, no later than 24 hours prior to the sale date to obtain the District's wire instructions. If a surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of New York, the claims paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations, and such bond must be submitted to the District or its Financial Advisor prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is guaranteed by such financial surety bond. If the bonds are to be awarded to a bidder utilizing a financial surety bond, then the purchaser is required to submit its Deposit to the District in the form of a certified or cashier's check, or a wire transfer in such amount, as instructed by the District or its Financial Advisor, not later than 3:00 o'clock P.M. (Prevailing Time) on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the District to satisfy the Deposit requirement. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds.

The Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of said bidders selected by the Sale Officer by lot from among all said bidders. The successful bidder must also pay an amount equal to the interest on the Bonds, if any, accrued to the date of payment of the purchase price.

When the successful bidder has been ascertained, the Sale Officer will promptly return all deposits made to the persons making the same, except the deposit made by such bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw his proposal until after 1:00 o'clock P.M. (Prevailing Time) of the day of such bid-opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the District as liquidated damages for such neglect or refusal.

The right is reserved to reject all bids and any bid not complying with the terms of this notice will be rejected.

If the Bonds qualify for 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 said Bonds in accordance with the terms hereof.

The Bonds will be used to provide financing for the payment of judgments or settled claims for real property tax refunds pursuant to tax certiorari proceedings brought pursuant to Article Seven of the Real Property Tax Law.

The Bonds are general obligations of the District. There is no limitation, either as to rate or amount, upon ad valorem taxes upon taxable real property in the District which may be required to pay the Bonds and the interest thereon. The 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 State 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, and also that the fiscal officer of the District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Upon default in the payment of principal of or interest on the Bonds or certain other obligations of the District, the State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the District and apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to said Bonds and said other obligations.

The population of the District is estimated to be 18,500. The debt statement to be filed pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the Bonds, prepared as of May 31, 2010, shows the full valuation of real property subject to taxation by the District to be \$4,159,456,154 its debt limit to be \$415,945,615, and its total net indebtedness (inclusive of the Bonds) to be \$28,565,093. The calculation of such indebtedness has not taken into account any deductions there from of any apportionment of State aid for debt service for school building purposes to which the District may be entitled.

The Bonds will be delivered to DTC and shall be paid for in Federal Funds on or about June 29, 2010, at such place in New York City, and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the District will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and to supply them to the District in a timely manner. 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 said numbers shall be the responsibility of and shall be paid for by the successful bidder.

The successful bidder will be furnished without cost with the approving opinion of the law firm of Hawkins Delafield & Wood LLP to the effect that the Bonds are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all the taxable 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 of rate or amount. Said opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which have been or may be furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial statements or other information or the accuracy or sufficiency thereof.

The successful bidder may at his option refuse to accept the Bonds if prior to their delivery the certificate referred to in the following paragraph, in form and tenor satisfactory to Bond Counsel, is not delivered, or, if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, and in such case the deposit made by

him will be returned and he will be relieved of his contractual obligations arising from the acceptance of his proposal.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. As part of the District’s contractual obligation arising from its acceptance of the successful bidder’s proposal, the District will furnish the successful bidder concurrently with the delivery of the Bonds with its Arbitrage and Use of Proceeds Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the District will comply with the provisions and procedures set forth therein, and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under Section 103 of the Code.

Under the Code, interest on the Bonds is to be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including without limitation, the alternative minimum tax and the foreign branch profits tax. In addition under the Code, an individual who owns the Bonds may be required to include in gross income a portion of his or her Social Security or railroad retirement payments and interest on the Bonds will be included as disqualified income when computing the earned income credit. Bondholders should consult their tax advisors with respect to the computation of alternative minimum tax or foreign branch profits tax liability, the earned income credit, or the inclusion of Social Security or other retirement payments in gross income.

The opinion of Bond Counsel shall also contain further statements to the effect that, under existing statutes and court decisions and assuming continuing compliance with the Arbitrage and Use of Proceeds Certificate, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in the adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering its opinion, Bond Counsel shall rely on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds, and shall assume compliance by the District with certain ongoing certifications in the Arbitrage and Use of Proceeds Certificate to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Further, such opinion shall state that, under existing statutes, interest on the Bonds is exempt from New York State and New York City personal income taxes.

Each successful bidder also must submit to the District a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Bonds, which states that:

(a)(i) on the date of award, such successful bidder made a *bona fide* public offering of all Bonds of all maturities at initial offering prices corresponding to the prices or yields indicated in the information furnished in connection with the successful bid, and (ii) as of such date, the first price or yield at which an amount equal to at least ten percent of each maturity of the Bonds was sold to the public was, respectively, a price not higher or a yield not lower than indicated in the information furnished with the successful bid (the “first price rule”), with the exception of those maturities, if any, identified in such certificate, as to which such certificate shall explain the reasons why the first price rule was not satisfied, OR

(b) such successful bidder has purchased the Bonds for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made.

For the purposes of the Reoffering Price Certificate, the “public” does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers. In making such representations, the successful bidder must reflect the effect on the offering prices of any “derivative products” (*e.g.*, a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

The Bonds **WILL** be designated by the District as “qualified tax-exempt obligations” pursuant to the provisions of Section 265 of the Code.

The District will provide a reasonable number of Official Statements to the successful bidder within five (5) business days following receipt of a written request therefor made to the District and its financial advisor. Such request may specify the applicable (a) offering price(s), (b) selling compensation, (c) rating(s), (d) credit enhancement and (e) identity and complete name of such bidder and any participating underwriters, and if so, the Official Statement will be modified or supplemented by the information so specified. Neither the District nor its financial advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of the successful bidder with respect to such request, nor shall the District’s failure, as a result thereof, to provide the Official Statement (whether or not modified or supplemented) within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Bonds in accordance with the terms hereof.

The Official Statement is in a form “deemed final” by the District for the purpose of Securities and Exchange Commission Rule 15c2-12 but may be modified or supplemented as noted above. In order to assist bidders in complying with Rule 15c2-12 and as part of the District’s contractual obligation arising from its acceptance of each successful bidder’s proposal, at the time of the delivery of the Bonds the District will provide an executed copy of its “Undertaking to Provide Continuing Disclosure.” Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, to provide to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, the annual financial information and notice of the occurrence of certain material events, as enumerated in said Rule 15c2-12.

The obligations hereunder to deliver or accept the Bonds pursuant hereto shall be conditioned on the availability to the successful bidder and delivery at the time of delivery of the Bonds of said approving opinion; of certificates in form and tenor satisfactory to said law firm evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and including a statement, dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Bonds; and of the several certificates as described in the Official Statement under the heading “Documents Accompanying Delivery of the Bonds and the Notes.” A copy of said approving opinion will appear on the Bonds.

Copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, telephone number 315-752-0051; fax: 315-752-0057.

Dated: June 7, 2010

WILLA BRODY HUGHES
President of the Board of Education
and Chief Fiscal Officer

PROPOSAL FOR BONDS

June 15, 2010

Ms. Willa Brody Hughes
President of the Board of Education
Eastchester Union Free School District
c/o Fiscal Advisors & Marketing, Inc.
120 Walton Street, Suite 600
Syracuse, New York 13202

Dear Ms. Hughes:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated June 7, 2010, which is hereby made a part of this Proposal, we offer to purchase all of the \$1,247,383 School District Serial Bonds-2010 of Eastchester Union Free School District, New York, described in said Notice of Sale, and to pay therefor the price of \$1,247,383 plus \$_____, plus interest, if any, accrued on said Bonds from their date to the date of their 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:

Table with 2 columns: Bonds maturing in the year (2012-2020) and interest rate (%). Each row contains a blank line for the interest rate.

Check one of the following:

[] We enclose herewith a certified or cashier's check in the sum of \$24,950, made payable to the order of the Eastchester Union Free School District, New York, which check is to be returned to the undersigned if the bid is not accepted; otherwise to be applied as part payment for the Bonds, or to be retained by the District as and for liquidated damages in case we should not take up and pay for the Bonds in accordance with the terms of this Proposal.

[] We are an authorized principal of a financial surety bond issued with respect to this proposal as described in the Notice of Sale.

[] We sent a fed wire transfer of \$24,950 to the account of the District designated for such purpose in accordance with the Notice of Sale and instructions provided by the District's Financial Advisor. The fed wire confirmation number is _____ at _____.

The following is our computation of the net interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing Proposal for the purchase of \$1,247,383 bonds under the foregoing Proposal:

Table with 2 columns: Description (Gross Interest, Premium, Net Interest Expense, Percent Net Interest Cost) and Value (blank lines). Percent Net Interest Cost is followed by a % sign and '(four decimals)'.

By: _____

Telephone () _____

Receipt of the good faith check on June 15, 2010, in the amount of \$24,950 from the Eastchester Union Free School District, New York, is hereby acknowledged:
