

NOTICE OF SALE

**CROWN POINT CENTRAL SCHOOL DISTRICT**

**ESSEX COUNTY, NEW YORK**

**\$969,000 Bond Anticipation Notes, 2009**

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 Crown Point Central School District, Essex County, 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 **1<sup>st</sup> day of July, 2009** for the purchase in Federal Funds, at not less than par and accrued interest of \$969,000 Bond Anticipation Notes, 2009 (the "Notes") to be dated July 9, 2009 and maturing November 27, 2009, 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. The School District will pledge its faith and credit for the payment of the principal of the Notes and interest thereon. Principal and interest on the Notes are payable at maturity in lawful money of the United States of America (Federal Funds).

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on November 18, 2008 authorizing the reconstruction of various School District Buildings, including necessary site work, acquisition of original furnishings, equipment, machinery or apparatus required for the purposes for which such reconstructed building is to be used and pay incidental costs related thereto, at a maximum cost of \$1,869,000. The proceeds of the notes will provide \$969,000 in new monies for the aforementioned purpose.

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

**The School District will act as Paying Agent for the Notes.** The School District contact information is as follows: Sharri Brannock, Superintendent of Schools, Crown Point Central School District, Main Street, P.O. Box 35, Crown Point, New York 12928-0035, Phone: 518.597.4200, Fax: 518.597.4121, email: brannock@cpcsteam.org.

Purchaser shall have the option of having the Notes, which will be in registered form, issued in the name of the purchaser, or, at the option of the purchaser, in the name of Cede & Co., as nominee for The Depository Trust Company (DTC). The purchaser must notify Bond Counsel by 2:00 P.M., Prevailing Time, on the date of the sale whether the Notes will be issued in non-book-entry form or book-entry form.

If the Notes are issued in non-book-entry form, they will be issued as registered obligations, in the name of the purchaser. Principal and interest on the Notes will be payable at such bank or trust company authorized to do business in the State of New York as may be designated by the Purchaser. Paying agent fees, if any, are to be paid by the purchaser.

Each bid must be for all of the Notes and must 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 and a 30-day month. Each bid must be for not less than the par value of the Notes.

The Notes will be awarded to the bidder 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 by lot from among such lowest bids. 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 on or about July 9, 2009. The purchase price of the Notes shall be paid in Federal Funds or other funds available for immediate credit on the delivery date.

If the purchaser notifies Bond Counsel by 4:00 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 choose such DTC registered notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of DTC, 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 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, except for one necessary odd denomination. Principal of and interest on the Notes will be payable by the School District or its agent 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 5:00 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 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.

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 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 Crown Point Central School District, Essex 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 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 imposed on individuals and corporations..

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. Each 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. In addition, the opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes.

Following the sale of the Notes, the successful bidder will be required to provide to the School District certain information regarding the reoffering price to the public of the Notes. The successful bidder shall furnish to the School District a certificate acceptable to Bond Counsel, dated as of the day of closing for 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 after appropriate investigation.

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes.

There is no offering document which accompanies this Notice of Sale.

**CROWN POINT CENTRAL SCHOOL DISTRICT**

**Dated: June 22, 2009**

**MITCH ST. PIERRE**  
**President of the Board of Education**

# PROPOSAL FOR NOTES

**SALE DATE: July 1, 2009**  
**SALE TIME: 11:30 A.M., Prevailing Time**

Mr. Mitch St. Pierre  
President of the Board of Education  
Crown Point Central School District  
Essex County, 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

## \$969,000 Bond Anticipation Notes, 2009

**Dated: July 9, 2009**

**Maturity: November 27, 2009**

Dear Mr. St. Pierre:

For \$969,000 Bond Anticipation Notes, 2009 of the School District as described in the Notice of Sale annexed hereto, we hereby offer to pay a premium of (\$ \_\_\_\_\_) and accrued interest from the date of the Notes to the date of delivery thereof, for Notes bearing interest at the rate (expressed in a multiple of one-eighth or one-hundredth of one per centum of ( \_\_\_\_\_ %) per annum.

The following is our computation of the net interest cost, made as provided in the above mentioned Official Notice of Sale, but not constituting any part of the foregoing Proposal for the purchase of the notes therein described:

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

In the event we are awarded said Notes, we will promptly notify you of the denominations and paying agent desired, or if we choose to have the Notes issued in book-entry form only, in accordance with the terms of said Notice of Sale.

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

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

Telephone (        ) \_\_\_\_\_

Telecopier (        ) \_\_\_\_\_

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