

## NOTICE OF BOND SALE

# POLAND CENTRAL SCHOOL DISTRICT

## HERKIMER COUNTY, NEW YORK

### \$1,165,000 SCHOOL DISTRICT (SERIAL) BONDS, 2009

Sealed proposals, or telefaxed proposals to be sealed by the Financial Advisor (defined below) prior to submittal, will be received and considered by the undersigned officer of the Poland Central School District, Herkimer County, New York (the "Issuer"), at the offices of Fiscal Advisors & Marketing, Inc. (the "Financial Advisor"), 120 Walton Street, Suite 600, Syracuse, NY 13202, at 12:00 p.m., Prevailing Time, on the 7<sup>th</sup> day of July, 2009, at which time and place the bids will be opened, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of \$1,165,000 School District (Serial) Bonds, 2009 (the "Bonds") of the Issuer, dated July 15, 2009, and maturing in annual principal installments, together with interest thereon, as follows: \$45,000 on July 15, 2010, \$70,000 on July 15, 2011, \$70,000 on July 15, 2012, \$75,000 on July 15, 2013, \$80,000 on July 15, 2014, \$80,000 on July 15, 2015, \$85,000 on July 15, 2016, \$85,000 on July 15, 2017, \$90,000 on July 15, 2018, \$95,000 on July 15, 2019, \$100,000 on July 15, 2020, \$105,000 on July 15, 2021, \$110,000 on July 15, 2022, and \$75,000 on July 15, 2023. Principal installments may be adjusted by the Issuer after award to the extent necessary to provide for substantially level or declining annual debt service pursuant to Section 21.00(d) of the Local Finance Law. Interest on the Bonds will be payable on July 15, 2010 and semi-annually thereafter on January 15 and July 15.

The Bonds will be initially issued and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Ownership interests in the Bonds will be transferred pursuant to the "Book-Entry-Only System" of The Depository Trust Company, as described in the Official Statement prepared by the Issuer with respect to the Bonds. Principal and interest on the Bonds will be payable by check or draft mailed by the Issuer to The Depository Trust Company, New York, New York, or to its nominee, Cede & Co., as the registered owner of the Bonds. Principal and interest will be payable in lawful money of the United States of America. The Bonds will be fully registered and will be valid and legally binding general obligations of the Issuer, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. The Bonds may not be converted into coupon bonds or be registered to bearer.

The Bonds maturing on or before July 15, 2018 shall not be subject to redemption prior to maturity. The Bonds maturing on or after July 15, 2019 shall be subject to redemption prior to maturity on not less than thirty (30) days notice as a whole or in part (and by lot if less than all of the maturity is to be redeemed) at the option of the Issuer on July 15, 2018 or on any interest payment date thereafter at par.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Issuer by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The State Constitution requires the Issuer 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 amount 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 Issuer, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the Issuer may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations. In the event of default in the payment of principal of and/or interest on the Bonds, 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 Issuer and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest.

Each bid must be for all of the Bonds and may state different rates of interest for Bonds maturing in different calendar years, provided, however, that (1) only one rate of interest may be bid for Bonds maturing in any one calendar year, (2) rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on any single maturity of the Bonds shall not be less than the rate of interest applicable to any prior maturity, and (3) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at such rate or rates of interest as will produce the lowest interest cost, computed in accordance with the net interest cost method of calculation, that being the rate or rates of interest which will produce the least interest cost over the life of the Bonds, after accounting for the premium offered, if any. Any such adjustment by the Issuer shall be conclusive and shall be binding upon the successful bidder. If two or more bidders offer to purchase the Bonds at the same lowest rate of interest, computed as described above, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected.

Each bid must be enclosed in a sealed envelope addressed to the undersigned President of the Board of Education of the Poland Central School District, Herkimer County, New York, and should be marked on the outside "Proposal for Bonds." A good faith deposit (the "Deposit") in the form of a certified or cashier's check or a financial surety bond in the amount of \$23,300 payable to the order of the Poland Central School District is required for each bid to be considered. If a check is used, it must accompany each bid. If a financial 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 Issuer 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 awarded to a bidder utilizing a financial surety bond, then that purchaser (the "Purchaser") is required to submit its Deposit to the Issuer or its Financial Advisor in the form of a cashier's check (or wire transfer such amount as instructed by the Issuer or its Financial Advisor) not later than 3:30 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 Issuer 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. In the event the Purchaser fails to honor its accepted bid, the Deposit will be retained by the Issuer.

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law, the Local Finance Law, and a bond resolution approved by the Board of Education on May 23, 2007 authorizing the issuance of not exceeding \$1,722,329 serial bonds to pay the cost of the construction, reconstruction, renovation and improvements of school district buildings.

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 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 the Bonds in accordance with the terms of the purchase contract.

THE ISSUER RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF BIDS, NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN 24 HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER THE TM3.

In the event that prior to the delivery of the Bonds, the income received by owners thereof from bonds of the same type and character becomes includable in the gross income of such owners for Federal income tax purposes, the successful bidder may, at its election, be relieved of its obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying its bid will be returned.

The Bonds will be delivered at New York, New York, or at such other place as may be agreed with the purchaser on or about July 23, 2009. The purchase price of the Bonds, in accordance with the purchaser's bid, shall be paid IN FEDERAL FUNDS or other funds available for immediate credit on the delivery date in an amount equal to the principal amount of the Bonds, plus the premium, if any, plus accrued interest from the date of the Bonds until the day of delivery, less the amount of the good faith deposit submitted with the bid.

CUSIP identification numbers will be printed on the Bonds if the purchaser provides Bond Counsel with such numbers by telecopy or any other means of written communication (verbal advice will not be accepted) by 5:00 o'clock P.M. on the date of sale of the Bonds, but neither the failure to print such number on any Bond 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 Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; 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 Bonds will be available for inspection by the purchaser at The Depository Trust Company, in New York, New York, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the purchaser will be furnished, without cost, with the following, dated as of the date of the delivery of and payment for the Bonds: (i) a certificate of the President of the Board of Education of the Issuer certifying that (a) as of the date of the Official Statement furnished by the Issuer in relation to the Bonds (the "Official Statement") (which Official Statement is deemed by the Issuer to be final for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), except for the omission therefrom of those items allowable under the Rule), the Official Statement did not contain any untrue statements of a 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 the Official Statement obtained from sources other than the Issuer 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 the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the Issuer and no material adverse changes in the general affairs of the Issuer or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement; (ii) a Continuing Disclosure Undertaking Certificate of the Issuer, executed by the President of the Board of Education of the Issuer stating that the Issuer has agreed, in accordance with the Rule, to provide or cause to be provided during any succeeding fiscal year in which the Bonds are outstanding, (a) on or prior to the end of the sixth month of each such succeeding fiscal year certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Official Statement under the headings "The School District", "Tax Information", "Status of Indebtedness", "Litigation" and all Appendices and if not provided as part of the annual financial information, the Issuer shall provide, copies of the audited financial statements (prepared in accordance with generally accepted accounting principals in effect at the time of audit) for the preceding fiscal year within 60 days after receipt by the Issuer, but in no event later than the last business day of each such succeeding fiscal year; (b) timely notice of the occurrence of certain material events with respect to the Bonds; and (c) timely notice of a failure by the Issuer to provide the required annual financial information and operating data, together with such audited financial statement, if any, described in (a) above on or before the date specified in (a) above; (iii) a closing certificate, constituting receipt for the bond 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 Bonds; (iv) an arbitrage certificate executed on behalf of the Issuer which includes, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Bonds that the Issuer will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds 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 Bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to the Bonds and any obligations refunded with proceeds of the Bonds, and maintaining books and records in a specified manner where appropriate, and (b) refrain from taking any action which would cause interest on the Bonds 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 Bonds and investment earnings thereon on certain specified purposes; and (v) the unqualified legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Utica, New York, Bond Counsel. Reference should be made to the Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Legal Matters" in the Official Statement.

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

Following the sale of the Bonds, the successful bidder will be required to provide to the Issuer certain information regarding the reoffering price to the public of each maturity of the Bonds. The successful bidder shall furnish to the Issuer a certificate acceptable to Bond Counsel, dated as of the day of closing of the Bonds, stating the initial prices at which a bona fide public offering of all of the Bonds was made and stating that 10% or more of the Bonds of each maturity 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.

Any party executing and delivering a bid for the Bonds agrees, if its bid is accepted by the Issuer, to provide to the Issuer, 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 with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within three business days following receipt by the Issuer thereof the Issuer will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of the Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the Issuer from furnishing the Official Statement as described above. The Issuer 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 the Official Statements as described above which results from the failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of the Issuer with respect to the preparation and delivery thereof.

The estimated population of the Issuer is 7,906. 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 June 22, 2009 will show the average full valuation of real estate subject to taxation by the Issuer to be \$480,608,930, its debt limit to be \$48,060,893, and its total net indebtedness, subject to the debt limit, including the Bonds, to be \$4,307,329. The proceeds of the Bonds, along with available funds, will retire \$1,722,329 bond anticipation notes outstanding which mature on July 24, 2009, issued for the capital project. A detailed Official Statement will be furnished to any interested bidder upon request.

Copies of the Official Statement of the School District relating to the Bonds offered hereby, this Notice of Sale and the Proposal for Bonds will be furnished upon request to Fiscal Advisors & Marketing, Inc. at 120 Walton Street, Suite 600, Syracuse, New York 13202, or by phone at (315) 752-0051, Ext. 1, or by telecopier at (315) 752-0057. Additionally, summary Official Statements may be downloaded from Fiscal Advisors web site at [www.fiscaladvisors.com](http://www.fiscaladvisors.com).

Dated: June 26, 2009

KAREN RYAN  
PRESIDENT OF THE BOARD OF EDUCATION

## PROPOSAL FOR BONDS

Mr. Karen Ryan  
 President of the Board of Education  
 Poland Central School District  
 Herkimer 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

SALE DATE: July 7, 2009  
 SALE TIME: 12:00 p.m.

Re: \$1,165,000 School District (Serial) Bonds, 2009

Dear Ms. Ryan:

For the \$1,165,000 School District (Serial) Bonds, 2009, of the Poland Central School District, Herkimer County, New York subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay One Million One Hundred Sixty-Five Thousand and 00/100 Dollars (\$1,165,000) plus a premium of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and accrued interest to date of 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:

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>	<u>YEAR OF MATURITY</u>	<u>INTEREST RATE</u>
2010	_____ %	2015	_____ %	2020	_____ %
2011	_____ %	2016	_____ %	2021	_____ %
2012	_____ %	2017	_____ %	2022	_____ %
2013	_____ %	2018	_____ %	2023	_____ %
2014	_____ %	2019	_____ %		

**Check ONE of the following:**

- We enclose a certified or cashier's check in the sum of \$23,300 payable to the order of the Poland Central School District, Herkimer County, New York, to be returned to the undersigned upon the award of said Bonds provided this Bid is not accepted; or, the amount of said check to be retained as and for liquidated damages in case of the failure of the undersigned to make payment as agreed.
- We are an authorized principal of a Financial Surety Bond with respect to this Bid as described in the attached Notice of Bond Sale.

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

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Bond Sale, but not constituting any part of the foregoing proposal for the purchase of the \$1,165,000 Bonds therein described:

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

**Receipt for return of good faith deposit:**

Received from Karen Ryan, President of the Board of Education, check for \$23,300 representing the return of our good faith deposit.

\_\_\_\_\_