

NOTICE OF SALE

WALTON CENTRAL SCHOOL DISTRICT

DELAWARE COUNTY, NEW YORK

\$165,000 Bond Anticipation Notes, Series 2009B

Telefax (315-752-0057), telephone (315-752-0051, **Ext. 1**) or written proposals will be received and considered by the undersigned President of the Board of Education of the Walton Central School District, located in Delaware 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 **9th day of July, 2009**, for the purchase in Federal Funds, at not less than par and accrued interest, of its \$165,000 aggregate principal amount Bond Anticipation Notes, Series 2009B (referred to herein as the "Notes") of the School District. The Notes are to be dated July 22, 2009 and mature on June 15, 2010, with interest payable at maturity. The Notes will be issued without the option of prior redemption.

The timely delivery of all proposals submitted by telefax must be legible and in completed form, signed by an authorized representative of the bidder and shall be the sole responsibility of the bidder. The School District shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions or any omissions or irregularities in any bids submitted in such manner.

The purchaser shall have the option of having the Notes issued in bearer form in denominations of \$5,000 or integral 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 ("DTC"), New York, New York. 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(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder.

If the purchaser requests the Note to be issued in registered form, the Walton Central School District will act as Paying Agent for the Notes. If the purchaser requests the Note to be issued in bearer form, the purchaser will act as Paying Agent for the Notes. The Walton Central School District's contact information is as follows: Ms. Patricia A. Loker, Assistant Superintendent for Business, 47-49 Stockton Avenue, Walton, New York 13856-1493, Phone: (607) 865-4116 x 6135, Telefax: (607) 865-8568, Email: ploker@waltoncsd.stier.org

Principal of and interest on said Notes are payable at maturity in lawful money of the United States of America (Federal Funds).

Said Notes will be delivered in New York, New York or at such place as may be agreed with the purchaser on or about July 22, 2009. The purchase price of said Notes, in accordance with each 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").

Bids 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. Interest will be calculated on the basis of a 30-day month and a 360-day year. Unless all bids are rejected, the award will be made to the bidder(s) 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 cost are received, an award will be made by lot from among such lowest bids. In any event, the award of said Notes will be made on the basis of the bid offering to purchase the Notes on the 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.

If the purchaser desires registered book-entry notes, it must so notify Bond Counsel by 3:00 o'clock P.M., Prevailing Time, on the date of sale. In such case, the Notes will be (i) the Note will be issued in the form of a fully registered Note, and 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 Notes. Individual purchases of beneficial ownership interests in the Notes may be made only through book entries 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 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 of 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.

Upon delivery of and payment for the Notes, the purchaser will be furnished without cost with the approving opinion of Cahill/Wink LLP, New York, New York, Bond Counsel to the School District, to the effect that the Notes are valid and legally binding general obligations of the School District, for the payment of which the School District has validly pledged its faith and credit, and all real property within the School District subject to taxation by the School District, is subject to the levy of such ad valorem taxes as may be necessary to pay the principal of and interest on the Notes, without limitation as to rate or amount. Said opinion of Bond Counsel will also state that assuming continuing compliance with certain covenants and the accuracy of certain representations contained in the record of proceedings relating to the authorization and issuance of the Notes, (a) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and the Notes are qualified tax-exempt obligations as defined in Section 265(b)(3) of the Code, (b) interest on the Notes is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) the interest on the Notes may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest, and (d) the enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion. 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 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.

As a condition to the purchaser's obligation to accept delivery of and pay for the Notes, such purchaser will be furnished upon delivery of and payment for the Notes, without cost, in form satisfactory to Bond Counsel, the following, dated as of the date of the delivery of and payment for said Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes, (b) a certificate or certificates dated the date of the Notes and executed by the officer of the School District who executed the Notes on behalf of the School District, stating that (i) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (ii) the statements contained in the Official Statement relating to the Notes, on the date thereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (iii) no authority or proceedings for the issuance of the Notes has or have been repealed, rescinded or revoked, (c) a tax compliance certificate executed by the President of the Board of Education of the School District; and (d) a continuing disclosure certificate executed by the President of the Board of Education of the School District for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), as described below.

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.

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 purchaser 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 nor 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.

For purposes of the Rule, the School District is the only "obligated person" with respect to the Notes and will make an agreement, as described in the Official Statement, to provide or cause to be provided timely notice of certain material events with respect to the Notes. See the complete description of the agreement in the Official Statement. There have not been and, as of the date of the Notes, there will not have been, any instances in which the School District failed to comply, in all material respects, with any previous continuing disclosure agreement made by the School District for purposes of the Rule.

In the event of a default in the payment of the principal of and/or interest on the Notes, the New York State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the New York 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 of New York with the holders from time to time of the Notes.

Dated: July 1, 2009

JUDITH BREESE
President of the Board of Education

PROPOSAL FOR NOTES

**SALE DATE: JULY 9, 2009
11:00 A.M., Prevailing Time**

Ms. Judith Breese
President of the Board of Education
Walton Central School District
Delaware 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

\$165,000 Bond Anticipation Notes, Series 2009B

Dated: July 22, 2009

Maturity: June 15, 2010

Dear Ms. Breese:

For the \$165,000 Bond Anticipation Notes, Series 2009B, of the Walton Central School District, Delaware County, New York, as described in the annexed Notice of Sale which is hereby made a part of this bid, we will pay par value and a premium of \$ _____ and accrued interest to date of delivery with said Notes to bear interest from their date until their maturity at the rate of _____% per annum.

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 the Notes therein described:

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

In the event we are awarded the Notes, we will promptly notify you, in accordance with the terms of said Notice of Sale, if we choose a registered book-entry Notes, and if not, of the denominations and paying agent we select.

Print Name of Bidder

Bank/Institution

Telephone () _____

Telecopier () _____