

\$321,911

**CITY SCHOOL DISTRICT OF THE CITY OF OSWEGO
OSWEGO AND CAYUGA COUNTIES, NEW YORK**

(BANK QUALIFIED) (NON-CALLABLE)

SCHOOL DISTRICT (SERIAL) BONDS, SERIES 2010A

NOTICE OF BOND SALE

Sealed proposals, or telefaxed or telephone proposals to be sealed by the Financial Advisor (defined below) prior to submittal, will be received and considered by the undersigned President of the Board of Education of the City School District of the City of Oswego, Oswego and Cayuga Counties, New York (the "Issuer"), at the offices of Fiscal Advisors & Marketing, Inc. (the "Financial Advisor"), 120 Walton Street, Suite 600, Syracuse, New York 13202 at 11:30 A.M., Prevaling Time, on the 19th day of August, 2010, 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 \$321,911 School District (Serial) Bonds, Series 2010A (the "Bonds") of the Issuer, dated September 1, 2010, and maturing in the amount of \$51,911 on September 1, 2011, \$65,000 on September 1, 2012, \$65,000 on September 1, 2013, \$70,000 on September 1, 2014 and \$70,000 on September 1, 2015. Interest on the Bonds will be payable on September 1, 2011 and semi-annually thereafter on March 1 and September 1.

The Bonds may, at the option of the purchaser, be initially issued in registered form as follows: (1) registered in the name of the purchaser or (2) by means of a book-entry system with no physical distribution of bond certificates made to the public in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC") as securities depository for the Bonds. If the Bonds are registered in the name of Cede & Co., ownership interests in the Bonds will be transferred pursuant to the "Book-Entry-Only System" of DTC. Principal and interest on the Bonds will be payable by check or draft mailed by the Issuer to DTC, or to its nominee, Cede & Co., as the registered owner of the Bonds. Transfer of principal and interest to 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 such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. 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 are not subject to redemption prior to maturity.

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. 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 Issuer, and should be marked on the outside "Proposal for Bonds." No good faith deposit is required for the Bonds.

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 March 24, 2010 authorizing the issuance of \$321,911 serial bonds to finance the purchase of transportation vehicles.

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 THOMSON MUNICIPAL NEWSWIRE.

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, any 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 September 1, 2010. 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.

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 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 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; (ii) 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 (iii) the unqualified legal opinion as to the validity of the Bonds of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel.

There is no Official Statement which accompanies this Notice of Sale. Rule 15c2-12 promulgated by the United States Securities and Exchange Commission does not require the distribution of an offering document in connection with the sale of the municipal securities offered through this Notice of Sale.

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.

The population of the Issuer is estimated to be approximately 32,387. The average full valuation of real estate subject to taxation by the Issuer is \$1,362,877,179, its debt limit is \$68,143,859, and its total net indebtedness, subject to the debt limit, including the Bonds, is \$31,274,711.

Dated: August 10, 2010

SAMUEL J. TRIPP
PRESIDENT OF THE BOARD OF EDUCATION

PROPOSAL FOR BONDS

Mr. Samuel J. Tripp
President of the Board of Education
City School District of the City of Oswego
Oswego and Cayuga Counties, New York
c/o Fiscal Advisors & Marketing, Inc.
120 Walton Street, Suite 600
Syracuse, New York 13202
Telephone: (315) 752-0051
Fax: (315) 752-0057

SALE DATE: August 19, 2010
11:30 A.M., Prevailing Time

City School District of the City of Oswego, Oswego and Cayuga Counties, New York
\$321,911 School District (Serial) Bonds, Series 2010A

Dear Sir:

For the \$321,911 School District (Serial) Bonds, Series 2010A, of the City School District of the City of Oswego, Oswego and Cayuga Counties, New York (the "Issuer"), subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay Three Hundred Twenty-One Thousand Nine Hundred Eleven Dollars (\$321,911) 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>
2011	_____%
2012	_____%
2013	_____%
2014	_____%
2015	_____%

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 \$321,911 Bonds therein described:

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

Print Name of Bidder

Bank/Institution

Signature: _____

Telephone: _____

Fax: _____

Email: _____