

NOTICE OF SALE

**ENLARGED CITY SCHOOL DISTRICT OF THE CITY OF WATERTOWN
JEFFERSON COUNTY, NEW YORK**

\$5,800,000 Bond Anticipation Notes, 2009 (Renewals)

Telephone (315-752-0051 Ext 1), telefax (315-752-0057) or written proposals will be received and considered by the undersigned President of the Board of Education of the Enlarged City School District of the City of Watertown, Jefferson County, New York, (the "School District") at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street - Suite 600, Syracuse, New York 13202, until 11:30 A.M., Prevailing Time, on the 9th day of September, 2009 for the purchase in Federal Funds, at not less than par and accrued interest of \$5,800,000 Bond Anticipation Notes, 2009 (Renewals) (the "Notes") to be dated September 17, 2009 and maturing September 17, 2010, with interest payable at maturity. The Notes are to be issued without option of prior redemption.

Principal and interest on the Notes are payable at maturity in lawful money of the United States of America (Federal Funds). The purchaser shall have the right to designate a bank or banks located and authorized to do business in the State of New York as the place or places for the payment of the principal and interest on the Notes. Paying agent fees, if any, are to be paid by the purchaser. The Notes will be issued in bearer form in the denomination of \$5,000 each or multiples thereof, as may be designated by the purchaser.

The purchaser shall have the option of having the Notes issued in bearer form or in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for The Depository Trust Company (DTC). 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 or trust company authorized to do business in the State of New York as may be selected by the successful bidder.

If the purchaser(s) requests the Note to be issued in registered form, the Enlarged City School District of the City of Watertown will act as Paying Agent for the Notes. If the purchaser(s) requests the Note to be issued in bearer form, the purchaser will act as Paying Agent for the Notes. The Enlarged City School District of the City of Watertown contact information is as follows: Lynne Wight, C.P.A., Business Manager, District Office, 1351 Washington Street, Watertown, New York 13601, Phone: (315) 785-3714, Fax: (315) 785-6855, email: lwight@watertowncsd.org.

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.

Each bid may be for all or any part of said Notes and 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. Any bidder may submit two separate bids at different rates of interest. Each bid must be for not less than the par value of the Notes bid for. All or none bids will be rejected.

Said Notes will be awarded to the bidder or bidders 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 to the bidder offering to purchase the greater principal amount of Notes. If two or more bids offering to purchase the same principal amount of Notes at the same lowest net interest rate are received, an award will be made by lot from among such lowest bids. The right is reserved by said District to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any, specified by such bidder will be pro-rated. In any event, the award of said Notes will be made on the basis of the bid or combination of bids offering to purchase the Notes on terms most favorable to said District. The right is reserved by said 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 September 17, 2009. The purchase price of the Notes, in accordance with each purchaser's bid, shall be paid in Federal Funds or other funds available for immediate credit on the delivery date.

The purchaser shall have the option of having the Notes issued in bearer form or in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for the DTC. 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 or trust company authorized to do business in the State of New York as may be selected by the successful bidder.

CUSIP identification numbers will be printed on the Notes if Bond Counsel is provided with such numbers by the close of business on 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 certificate of the President of the Board of Education certifying that (a) as of the date of the Official Statement furnished by the School District in relation to said Notes which Official Statement is deemed by the School District to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allowable under said Rule, said Official Statement did not contain any untrue statements of 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 said Official Statement obtained from sources other than the School District 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 said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement, (ii) 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, (iii) an arbitrage certificate executed on behalf of the School District which will include, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the Notes that the School District will, among other things, (A) take all actions on its part necessary to cause interest on the Notes 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 Notes and investment earnings thereon, making required payments to the Federal Government, if any, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the Notes 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 Notes and investment earnings thereon on certain specified purposes; and (iv) the unqualified legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. Reference should be made to said 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.

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

The successful bidder will be required to provide to the School District within five (5) days after the award of the Notes certain information regarding the re-offering 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 of 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 SEC Rule 15c2-12, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter 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 or liable in any manner for the successful bidder's determination of information necessary to comply with SEC Rule 15c2-12 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.

UNLESS AN EXEMPTION APPLIES PURSUANT TO PARAGRAPH (D)(1) OR (D)(2) OF THE AMENDMENTS TO RULE 15c2-12 of THE U.S. SECURITIES AND EXCHANGE COMMISSION, THE SCHOOL DISTRICT WILL COMPLY WITH SAID AMENDMENTS BY PROVIDING CURRENT FINANCIAL INFORMATION AND NOTICES OR ANY MATERIAL EVENTS TO A NATIONALLY RECOGNIZED MUNICIPAL SECURITIES INFORMATION REPOSITORY.

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.

Dated: August 31, 2009

PETER E. MONACO
President of the Board of Education and Chief Fiscal Officer

