

NOTICE OF SALE

**\$424,000 SCHOOL DISTRICT SERIAL BONDS, SERIES 2012
OF THE
NORTHEASTERN CLINTON CENTRAL SCHOOL DISTRICT AT CHAMPLAIN
CLINTON COUNTY, NEW YORK**

Sale Date: February 9, 2012, 11:00 A.M., Prevailing Time

Place of Sale: Office of Munistat Services, Inc.
12 Roosevelt Ave
Port Jefferson Station, New York 11776
Phone: 631/331-8888
Fax: 631/331-8834

Date of Bonds: February 22, 2012

Maturity of Bonds: June 15, 2012 - 2016, inclusive as shown below.

Sealed proposals will be received and considered at the place, time and date stated above by facsimile transmission, for the purchase at not less than par plus accrued interest of the \$424,000 aggregate principal amount of serial bonds described herein.

The bonds are entitled "School District Serial Bonds, Series 2012" (the "Bonds"), and are general obligations of the Northeastern Clinton Central School District, County of Clinton, State of New York (the "District").

The Bonds will be dated February 22, 2012, will be in a denomination equal to each respective maturity, and will be numbered upward in order of maturity. Interest on the Bonds will be payable on June 15, 2012, December 15, 2012 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Bonds will mature on June 15 in the years and corresponding principal amounts as follows:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|
| 2012 | \$84,000 |
| 2013 | 85,000 |
| 2014 | 85,000 |
| 2015 | 85,000 |
| 2016 | 85,000 |

The Bonds are **NOT** subject to redemption prior to maturity.

At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

If the Bonds are issued as book-entry bonds, they will be issued in the form of fully registered Bonds, in denominations corresponding to the aggregate principal amounts due in each year of maturity and as a condition to delivery of the Bonds, the successful bidder will be required to cause such Bond certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, 55 Water Street, 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 beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in book-entry Bonds may only be made through book entries (without certificates issued by the 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. Principal of and interest on book-entry Bonds will be payable by the District or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of such principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of such 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 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.

Pursuant to an agreement between the Securities Depository and the District, the Securities Depository may discontinue its services by giving written notice to the District. Upon such termination, the District shall appoint a fiscal agent or the chief fiscal officer of the District shall act as fiscal agent (the “Fiscal Agent”) and Beneficial Owners of the Bonds will receive registered certificates representing their ownership interest in the Bonds, as more fully described in the Official Statement accompanying this Notice of Sale. In such case, principal of the Bonds when due will be payable upon presentation at the principal office of the Fiscal Agent. Interest on the Bonds will continue to be payable on June 15, 2012, December 15, 2012 and semi-annually thereafter on June 15 and December 15 in each year to maturity. Such interest will be payable by check drawn on the Fiscal Agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Fiscal Agent as of the first business day of the calendar month immediately preceding each such interest payment date.

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including, among others, the Education Law, the Local Finance Law, and other proceedings and determinations. The proceeds of the Bonds in the amount of \$424,000 will be used to provide original funds for the purchase of buses for the District, pursuant to a serial bond resolution authorized by the Board of Education on February 8, 2011.

The Bonds will be duly authorized, executed and issued in accordance with the Constitution and statutes of the State of New York and will constitute valid and legally binding general obligations of the District, for the payment of which the District will have validly pledged its faith and credit, and all real property within the District subject to taxation by the District, will be subject to the levy by the District of ad valorem taxes, without limitation as to rate or amount subject to the applicable provisions of Chapter 97 of the Laws of 2011, for payment of the principal of the Bonds and the interest thereon.

The Bonds will be designated upon their issuance by the District as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

The New York State Constitution requires the District to pledge its faith and credit for the payment of the principal of and interest on the Bonds and to make annual appropriations for the amounts required for the payment of such principal and interest. The Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service of the Bonds and certain other obligations of the District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purpose and that the chief fiscal officer of the District may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations. Chapter 97 of the Laws of 2011 imposes a statutory limit on the power of the District to increase its annual real property tax levy based on formulae set forth therein, including such taxes to pay principal of, redemption premium, if any, and interest on the Bonds. However, in the opinion of bond counsel, under current law, the limitations imposed by Chapter 97 of the Laws of 2011 do not diminish the prior lien on revenues of the District set forth in the New York Constitution and established by the aforesaid pledge of the District’s faith and credit in connection with the authorization and issuance of the Bonds.

Each bid must be for all of the Bonds in the aggregate principal amount of \$424,000 and must state in a multiple of one-hundredth of 1% or one-eighth of 1% per annum the rate or rates of interest the Bonds are to bear. Each bid may state multiple rates; provided, however, that: (i) only one rate of interest may be bid for Bonds of the same maturity, and (ii) the rate bid for any maturity shall not be less than the rate bid for any prior maturity. 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 the lowest net interest cost, that being the lowest interest cost over the life of the Bonds after deducting the premium, if any, and if two or more such bidders offer the same lowest net interest cost, then to the one of said bidders selected by the sale officer by lot from among all said bidders or by allocation in the manner directed by such sale officer. In any event, the award of the Bonds will be made on the basis of the bid offering to purchase the Bonds on the terms

most favorable to the District and the right is reserved by the District to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected. The right is further reserved by the District, however, to waive any irregularity in the form of any bid, if, in the judgment of the District, such waiver would not materially affect the integrity of the bidding process.

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

Each bid must be enclosed in a sealed envelope addressed to the President of the Board of Education of the Northeastern Clinton Central School District, Clinton County, New York, c/o Munistat Services, Inc., 12 Roosevelt Ave, Port Jefferson Station, New York 11776 and should be marked on the outside "Proposal for Northeastern Clinton Central School District, New York Bus Acquisition Serial Bonds, Series 2012." Sealed proposals may be submitted via facsimile transmission at (631) 331-8834, in accordance with the Notice of Sale, until the time specified herein.

If the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefor, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole expense of the purchaser of the Bonds and any increased costs of issuance of the Bonds resulting by reason of the same, including, without limitation, the cost of obtaining a rating on the Bonds from a nationally recognized rating agency, unless otherwise paid, shall be paid by the purchaser. 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 the event that prior to the delivery of the Bonds the interest income from obligations of the same type and character received by the holders thereof shall be taxable by the terms of any Federal income tax law, the successful bidder may, at its election, be relieved of its obligation to purchase the Bonds, and in such case the Deposit will be returned to such bidder without interest.

The Bonds will be delivered at New York, New York, or at such other place as may be agreed upon with the purchaser, on or about February 22, 2012, against payment in Federal Funds to the District in an amount equal to the par value of the Bonds, plus the premium bid, if any, plus accrued interest from the date of the Bonds to the day of delivery and payment therefor.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the purchaser.

Upon delivery of and payment for the Bonds, the purchaser will be furnished, without cost, with the approving opinion of Squire Sanders (US) LLP, New York, New York, Bond Counsel to the District, to the effect that the Bonds are valid and legally binding general obligations of the District, for the payment of which the District has validly pledged its faith and credit, and all real property within the District subject to taxation by the District, is subject to the levy of such ad valorem taxes as may be necessary to pay the principal of and interest on the Bonds, without limitation as to rate or amount subject to the applicable provisions of Chapter 97 of the Laws of 2011. 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 Bonds, (a) interest on the Bonds 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 Bonds are “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code, (b) interest on the Bonds 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) interest on the Bonds 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 scope of engagement of Squire Sanders (US) LLP, New York, New York, as Bond Counsel in relation to the Bonds, has extended solely to the rendering of opinions expressly stated therein, and that said law firm is rendering no opinion other than the opinions expressly stated therein, and that said law firm expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds.

The purchaser of the Bonds will also be furnished, without cost, in form satisfactory to Bond Counsel, (a) a certificate evidencing execution, delivery and receipt of payment for the Bonds, (b) a certificate dated the date of the Bonds and executed by the officer of the District who executed the Bonds on behalf of the 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 Bonds, (ii) the statements contained in the Official Statement relating to the Bonds, on the date thereof and on the date of delivery of and payment for the Bonds, 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 Bonds have been repealed, rescinded or revoked, (c) a Tax Compliance Certificate executed by the District; and (d) a continuing disclosure agreement executed by the President of the Board of the District for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the “Rule”), as described below.

The successful bidder will be required to provide to the President of the Board of Education within five (5) days after the award of the Bonds, certain information regarding the reoffering price to the public of the Bonds. The successful bidder shall furnish to the District a certificate acceptable to Bond Counsel, dated as of the day of closing for the Bonds, stating the initial prices at which a bona fide public offering of all the Bonds was made and stating that 10% or more of the Bonds 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 District has not prepared an Official Statement in connection with the sale of the Bonds. Additional information is available upon request from the District, 103 State Route 276, Champlain, New York 12919, telephone number 518/298-7978, or from the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888.

Northeastern Clinton Central School District at Champlain

Dated: January 31, 2012

/s/ Stephen Novacich
President of the Board of Education

PROPOSAL FOR BONDS

February 9, 2012

Stephen Novacich
President of the Board of Education
Northeastern Clinton Central School District at Champlain
c/o Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776

Dear Mr. Novacich:

We offer to purchase the \$424,000 School District Serial Bonds, Series 2012 (the "Bonds") of the Northeastern Clinton Central School District at Champlain, located in County of Clinton, State of New York, described in the annexed Notice of Sale, which is hereby made a part of this bid, and to pay therefor _____ Dollars (\$_____) plus accrued interest at the rate borne by the Bonds from the date of the Bonds to the date of the payment of the purchase price, 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</u> | <u>Principal Amount</u> | <u>Rate</u> |
|-------------|-------------------------|-------------|
| 2012 | \$84,000 | _____% |
| 2013 | 85,000 | _____% |
| 2014 | 85,000 | _____% |
| 2015 | 85,000 | _____% |
| 2016 | 85,000 | _____% |

Calculation of Net Interest Cost

The following is our computation of the net interest cost, made as provided in the above Notice of Sale, but not constituting any part of our proposal for the purchase of the above-referenced Bonds.

Gross Interest \$ _____

Premium \$ _____

Net Interest Cost (NIC) \$ _____

Effective NIC Rate _____%

Bid Submitted by: Name: _____

Title: _____

Of: _____

Address: _____

Phone: _____

Fax: _____

Name of Closing Coordinator: _____

Phone Number: _____