

\$2,100,000

**ALFRED-ALMOND CENTRAL SCHOOL DISTRICT
ALLEGANY AND STEUBEN COUNTIES, NEW YORK**

**SCHOOL DISTRICT (SERIAL) BONDS, 2011
NOTICE OF BOND SALE**

Sealed proposals will be received for and on behalf of the Board of Education of Alfred-Almond Central School District, Allegany and Steuben Counties, New York (the "School District"), at the offices of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424 (telephone number: 585-394-4090; facsimile number: 585-394-4092) until 11:30 o'clock A.M. (Prevailing Time), on the 1st day of June, 2011, at which time and place they will be publicly opened and announced, for the purchase at not less than par and accrued interest of the \$2,100,000 aggregate principal amount of School District (Serial) Bonds, 2011 (the "Bonds") of said School District.

The Bonds will be dated June 15, 2011, will be in the denomination of \$5,000 each, or any integral multiple thereof, and will mature in annual principal installments which are as follows:

\$105,000	on	June 15, 2012	\$140,000	on	June 15, 2019
\$110,000	on	June 15, 2013	\$145,000	on	June 15, 2020
\$115,000	on	June 15, 2014	\$150,000	on	June 15, 2021
\$120,000	on	June 15, 2015	\$155,000	on	June 15, 2022
\$120,000	on	June 15, 2016	\$160,000	on	June 15, 2023
\$125,000	on	June 15, 2017	\$170,000	on	June 15, 2024
\$130,000	on	June 15, 2018	\$175,000	on	June 15, 2025
			\$180,000	on	June 15, 2026

with interest thereon payable on December 15, 2011, and semi-annually thereafter on June 15 and December 15, until maturity. Some of the Bonds are subject to redemption prior to maturity, as described herein and in the Official Statement under the heading "Optional Redemption".

THE SCHOOL DISTRICT RESERVES THE RIGHT TO CHANGE THE PRECISE AMOUNT OF EACH MATURITY OF THE BONDS IN ORDER TO ACHIEVE SUBSTANTIALLY LEVEL OR DECLINING ANNUAL DEBT SERVICE.

THE SCHOOL DISTRICT 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 ONE HOUR 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.

The Bonds will be issued in registered form in denominations such that one Bond shall be issued for each maturity of Bonds in such amounts as hereinbefore set forth, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Ownership interest in the Bonds will be transferred pursuant to the "Book Entry-Only System" of the DTC, as described in the Official Statement prepared by the School District with respect to the Bonds. Principal and interest on the Bonds will be payable by check or draft mailed by the School District 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 said School District, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay said 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 State Constitution requires the School District to pledge its faith and credit for the payment of principal of and interest on of the Bonds and to make annual appropriations for the amounts required for the payment of such principal and interest. 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 School District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes and that the chief fiscal officer of the School District 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 a default in the payment of principal of or interest on the Bonds or certain other obligations of the School District, the State Comptroller is required under the conditions and to the extent prescribed by Section 99-b of the State Finance Law, to withhold state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of defaulted principal and interest with respect to the Bonds and said other obligations.

Optional Redemption

Bonds maturing on or before June 15, 2019 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2020 shall be subject to redemption prior to maturity on not less than twenty (20) days notice as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the School District on June 15, 2019 or on any interest payment date thereafter at par or 100.0%, plus accrued interest to the date of redemption.

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 School District 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 owners thereof not more than sixty (60) days nor less than twenty (20) days prior to such designated redemption 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 notice of redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Each proposal must be a bid of not less than \$2,100,000 for all of the Bonds and may state different rates of interest for Bonds maturing in different calendar years, provided, however, that (i) only one rate of interest may be bid for Bonds maturing in any one calendar year, and (ii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on Bonds maturing in any particular calendar year shall not be less than the rate of interest applicable to Bonds maturing in any prior calendar year, and (iii) 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 said Bonds at such rate or rates of interest as will produce the lowest net 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 such bidders offer to purchase the Bonds at the same net interest cost, 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 and should be marked on the outside "Proposal for Alfred-Almond School District Bonds, 2011". A good faith deposit (the "Deposit") in the form of a certified or cashier's check or a wire transfer in the amount of \$42,000 payable to the order of the Alfred-Almond Central School District is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire transfer is used, it must be sent to the account so designated by the School District for such purpose not later than 10:30 a.m. on the date of the sale and the wire transfer reference number must be provided on the "Proposal for Bonds" when the bid is submitted. Bidders are instructed to contact Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, NY 14424 (Telephone No.: 585-394-4090, Fax No.: 585-394-4092), the School District's financial advisor, no later than 24 hours prior to the bid opening to obtain the School District's wire instructions. 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 WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a Bond Resolution adopted February 10, 2010, authorizing the issuance of \$3,300,000 serial bonds and the expenditure of \$400,000 from the District's Capital Reserve Fund to finance certain reconstruction and renovations to the school building and grounds by installing a new roof on the school building and re-paving portions of the parking areas and driveways.

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, unless

otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy or commitment 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 said Bonds in accordance with the terms of the purchase contract.

In the event that prior to the delivery of the Bonds, the income received by the 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 his election, be relieved of his obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying his bid will be returned.

The Bonds will be delivered in New York City, or as may otherwise be agreed with the purchaser, on or about June 15, 2011. 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 said delivery date, in an amount equal to the par amount of such Bonds, plus the premium, if any, plus accrued interest from the date of such Bonds until said day of delivery, less the amount of the good faith deposit, if any, submitted with the bid.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, provided that the purchaser provides Bond Counsel with such numbers by facsimile transmission or any other means of written communication (verbal advice will not be accepted) by 3:00 o'clock P.M. on the date following the date of the sale of the Bonds. 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 said 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 corporate trust office of The Depository Trust Company, in New York, New York, no later than at 11:00 a.m. on June 14, 2011. 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, 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 certifying that (a) as of the date of the Official Statement furnished by the School District in relation to said Bonds, said 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 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 the Official Statement, there have been no material transactions not in the ordinary course of said 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 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; (iii) an arbitrage certificate executed on behalf of the School District which includes, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended, with the owners of the Bonds that the School District 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, 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 (iv) the unqualified legal opinion as to the validity of the Bonds of O'Hara, O'Connell & Ciotoli, Fayetteville, New York, Bond Counsel. 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 Bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Tax Matters" in said Official Statement.

The School District has agreed to comply with the requirements of SEC Rule 15c2-12, as described more fully in the Official Statement with regard to the issue. A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

The successful bidder will be required to provide to the School District within ten (10) days after the award of the Bonds certain information regarding the reoffering price to the public of each maturity of the Bonds. The successful bidder shall furnish to the School 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.

Any party executing and delivering a bid for the Bonds 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.

The population of the School District is estimated to be 7,414. 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 May 9, 2011, will show the full valuation of real property subject to taxation by the School District to be \$197,180,328, its debt limit to be \$19,718,033 and its bonded indebtedness, including the Bonds herein described, to be \$14,525,711. The calculation of such bonded indebtedness has not taken into account any deductions therefrom of any apportionment of State aid for debt service for School District purposes to which the School District may be entitled.

The proceeds of the Bonds will provide \$2,100,000, which, together with \$1,200,000 available funds of the School District, will retire a \$3,300,000 outstanding bond anticipation note dated July 15, 2010 and maturing June 15, 2011.

A detailed Official Statement for this issue has been distributed by Municipal Solutions, Inc., Canandaigua, New York and will be furnished to any interested bidder upon request. Copies may be obtained by calling (585) 394-4090. Additional Official Statements may be downloaded from Municipal Solutions' web site at <http://www.municipalsolution.com>.

Date: Almond, New York
May 20, 2011

EARL PIERCE
President, Board of Education

PROPOSAL FOR \$2,100,000 SCHOOL DISTRICT (SERIAL) BONDS, 2011

Earl Pierce, President of the Board of Education
 Alfred-Almond Central School District
 Allegany and Steuben Counties, New York
 c/o Municipal Solutions, Inc.
 2528 State Rt. 21
 Canandaigua, New York 14424
 Telefax: (585) 394-4092
 Telephone: (585) 394-4090

Sale Date: June 1, 2011
 11:30 AM (Prevailing Time)

Dear Mr. Pierce:

For the **\$2,100,000 School District (Serial) Bonds, 2011 (the "Bonds")**, of the **Alfred-Almond Central School District, Allegany and Steuben Counties, New York**, as described in the annexed Notice of Bond Sale (which is hereby made a part of this bid), we will pay \$2,100,000 plus a premium of \$_____ and accrued interest to date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest, in the indicated multiple(s) of 1/8th or 1/100th of one per centum (1%), from their dated 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>
2012	_____%	2017	_____%	2022	_____%
2013	_____%	2018	_____%	2023	_____%
2014	_____%	2019	_____%	2024	_____%
2015	_____%	2020	_____%	2025	_____%
2016	_____%	2021	_____%	2026	_____%

Check ONE of the following:

- We enclose herewith a cashier's check or certified check for \$42,000 payable to the order of "Alfred-Almond Central School District", to be returned to the undersigned upon the award of the 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.
- Wire Transfer – We have wired \$42,000 in Federal Funds pursuant to the instructions detailed in the Notice of Bond Sale for the account of the Alfred-Almond Central School District, which is to be applied in accordance with the Notice of Bond Sale against any loss resulting from the successful bidder failing to comply with the terms of the bid.

The following is our computation of the net interest cost, made as provided in the above-mentioned Notice of Bond Sale, and is not a part of the foregoing proposal for the purchase of the Bonds.

Gross Interest Cost.....	\$ _____
Less: Amount of Premium Offered	\$ _____
Dollar Interest Cost.....	\$ _____
Net Interest Cost	_____ %

(Four Decimals)

Receipt for return of good faith deposit:

Received from Earl Pierce, President
 Board of Education, a check for \$42,000
 representing the return of our good faith
 deposit.

 Signature

 Name of Bidder

 Address of Bidder

 Telephone

 Fax

 E-Mail