

NOTICE OF SALE

**CITY SCHOOL DISTRICT OF THE CITY OF ALBANY**

**ALBANY COUNTY, NEW YORK**

**\$8,500,000 Revenue Anticipation Notes, 2009**

Telefax (315-752-0057), telephone (315-752-0051 Ext. 1) or written bids will be received and considered by the undersigned President of the Board of Education of the City School District of the City of Albany, Albany County, New York, at the offices of Fiscal Advisors & Marketing, Inc. 120 Walton Street • Suite 600, Syracuse, New York 13202, until 11:00 AM, Prevailing Time on the 28<sup>th</sup> day of April, 2009 for the purchase in Federal Funds, at not less than par and accrued interest of \$8,500,000 Revenue Anticipation Notes, 2009 (the "Notes") to be dated May 7, 2009 and to mature October 7, 2009, with interest payable at maturity. The Notes are to be issued without option of prior redemption.

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 said 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 said Notes and interest thereon.

The Notes will not be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The purchaser(s) 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, New York, New York ("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(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(s). Paying agent fees, if any, shall be paid by the purchaser(s).

If the purchaser(s) notifies Bond Counsel by 3:00 o'clock P.M., Prevailing Time on the date of sale, such Notes may be issued in the form of book-entry-only notes, in the denomination corresponding to the aggregate principal amount of the Notes. In the event that the Purchaser(s) chooses book-entry-only notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause note certificates to be (i) registered in the name of Cede & Co., as nominee of 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 is 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 only be made through book entries (without certificates issued by the School 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 the Notes will be payable by the School District or its agent by wire transfer or in clearinghouse funds 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.

If the purchaser elects to have the Notes issued in the form of book-entry notes, the School District agrees to deliver the Note to DTC one day in advance of the date of delivery of the Note if the purchaser(s) elect book-entry-only notes.

Each bid must be for all or any of said 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 per annum. Interest will be calculated on the basis of 30 days to the month and 360-days to the year. Each bid must be for not less than the par value of the Notes. Conditional 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. 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 School District to reject any and all bids and any bid not complying with this Notice of Sale will be rejected.

Said Notes will be delivered in New York, New York or as may be agreed with the purchaser on or about April 10, 2008. The purchase price of said Notes, in accordance with the purchaser's bid, shall be paid in Federal Funds or other funds available for immediate credit on said delivery date.

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 3:00 o'clock P.M. on the day following 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.

The purchaser(s) shall be obligated to furnish to the School District, when and if requested, such information requested by the School District as shall be necessary to enable the School District to determine the "issue price" of the Notes as defined in Section 1273 or 1274 of the Code.

As a condition to each purchaser(s)'s obligation to accept delivery of and pay for the Notes, such purchaser(s) will be furnished, without cost, the following, dated as of the date of the delivery of and payment for said Notes: (i) 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, and (ii) the unqualified legal opinion of the law firm of Hiscock & Barclay, LLP, Albany, New York, Bond Counsel, to the effect that the Notes are valid and legally binding obligations of the City School District of the City of Albany, Albany County, New York, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that among other things, the Code includes certain requirements that must be met subsequent to the issuance of the Notes in order that interest thereon be and remain excluded from gross income to the recipients thereof, and that under existing law and assuming compliance with certain covenants, interest on the Notes is excluded from gross income for Federal income tax purposes, and, by virtue of the Local Finance Law, interest on the Notes is exempt from personal income taxes of the State of New York and its political subdivisions. In the opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of Federal alternative minimum tax imposed on individuals; however, interest on the Notes held by a corporate taxpayer is included in the relevant income computation for calculation of Federal alternative minimum tax. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes.

**CITY SCHOOL DISTRICT OF THE CITY OF ALBANY**

**Dated: April 20, 2009**

**BARBARA J. GAFFURI**  
**President of the Board of Education**

## PROPOSAL FOR NOTES

**SALE DATE: APRIL 28, 2009**  
**SALE TIME: 11:00 A.M.**

Ms. Barbara J. Gaffuri, President of the Board of Education  
 City School District of the City of Albany  
 Albany 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

### \$8,500,000 Revenue Anticipation Notes, 2008

**Dated: May 7, 2009**

**Maturity: October 7, 2009**

Dear Ms. Gaffuri:

(1) For \$\_\_\_\_\_ of the Notes of the City School District of the City of Albany as described in the Notice of Sale annexed hereto, we hereby offer to pay par value and a premium of \$\_\_\_\_\_ and accrued interest from the date of the Notes to the date of delivery thereof, for Notes bearing interest at the rate (expressed in a multiple of one-eighth or one-hundredth of one per centum of \_\_\_\_\_% per annum.

(2) For \$\_\_\_\_\_ of the Notes of the City School District of the City of Albany as described in the Notice of Sale annexed hereto, we hereby offer to pay par value and a premium of \$\_\_\_\_\_ and accrued interest from the date of the Notes to the date of delivery thereof, for Notes bearing interest at the rate (expressed in a multiple of one-eighth or one-hundredth of one per centum of \_\_\_\_\_% per annum.

The following is our computation of 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.

(1) For \$_____ Bid at _____ %	(2) For \$_____ Bid at _____ %
Gross Interest \$_____	Gross Interest \$_____
Premium Bid Over Par \$_____	Premium Bid Over Par \$_____
Net Interest Cost \$_____	Net Interest Cost \$_____
Effective Net Interest Rate _____%	Effective Net Interest Rate _____%

In the event we are awarded all or any portion of said Notes, we will promptly notify you of the denominations and paying agent we select or if we choose to have the Notes issued in book-entry form only.

\_\_\_\_\_  
Name of Bidder

\_\_\_\_\_  
Bank/Institution

Telephone (    ) \_\_\_\_\_

Telecopier (    ) \_\_\_\_\_