

NOTICE OF SALE

TOWN of WEBB

HERKIMER COUNTY, NEW YORK

\$125,000 Bond Anticipation Notes, 2010

Telephone (315.752.0051, **Ext. 1**), telefax (315.752.0057) or written bids will be received and considered by the undersigned Town Supervisor of the Town of Webb, Herkimer County, New York, 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 March, 2010** for the purchase in Federal Funds, at not less than par and accrued interest of \$125,000 Bond Anticipation Notes, 2010 (the "Notes") to be dated March 16, 2010 and maturing March 16, 2011, with interest payable at maturity. The Notes are to be issued without option of prior redemption.

The purchaser shall have the option of having the Notes issued in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") as explained below.

Principal of and interest on said 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 trust company located and authorized to do business in the State of New York as the place or places for the payment of the principal of 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 minimum denominations of \$5,000 each, as may be designated by the purchaser or as stated below.

The Notes will be valid and legally binding general obligations of the Town, 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 Town will pledge its faith and credit for the payment of the principal of said Notes and interest thereon.

The Notes are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and a bond resolution adopted on February 11, 2010 authorizing the cost of planning studies and preliminary engineering costs for the Old Forge Sewer District at a maximum estimated cost of \$125,000, and authorizing the issuance of \$125,000 serial bonds to pay the cost thereof. Proceeds of the Notes will provide new monies for the above mentioned purpose.

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

Each bid must be for all 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 (1%) per annum. Interest will be calculated on the basis of 30 days to the month and 360-days to the year. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase the Notes at 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; provided, however, that if two or more bidders offer to purchase the Notes at the same lowest net interest cost, then such award will be made to one of said bidders as may be selected by lot from among said bidders by the undersigned Town Supervisor. The right is reserved by said Town to reject all bids.

If the purchaser requests the Notes to be issued in registered form, the Town will act as Paying Agent for the Notes. If the purchaser requests the Notes to be issued in bearer form, the purchaser will act as Paying Agent for the Notes. The Town contact information is as follows: Robert Moore, Town Supervisor, P.O. Box 157 Old Forge, New York 13420, phone: (315) 369-3121, fax: (315) 369-6942, Email: townsupv@frontiernet.net.

The Notes will be delivered in New York, New York or at such place as may be agreed with the purchaser on or about March 16, 2010. 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.

If the purchaser notifies Bond Counsel by 3:00 P.M., Prevailing Time on the date of sale, such Notes may be issued in the form of a book-entry-only note, with an accompanying CUSIP number. In the event that the purchaser chooses such DTC registered notes, as a condition to delivery of the Notes, the successful bidder will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of DTC, 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 Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the Town) made on the books and records of DTC (or a successor depository) and its participants, in a minimum denomination of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable by the Town 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 Town 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.

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 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 Town, 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 the 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: (1) 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, (ii) an arbitrage certificate executed on behalf of the Town 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 Town 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 (iii) the unqualified legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York.

Following the sale of the Notes, the successful bidder will be required to provide to the Town certain information regarding the reoffering price to the public of the Notes. The successful bidder shall furnish to the Town a certificate acceptable to Bond Counsel, dated as of the day of closing for 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.

There is no Official Statement that accompanies this Notice of Sale.

Dated: February 26, 2010

ROBERT A. MOORE
TOWN SUPERVISOR

PROPOSAL FOR NOTES

Mr. Robert A. Moore, Town Supervisor
Town of Webb,
Herkimer 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

SALE DATE: March 9, 2010
TIME: 11:30 A.M., Prevailing Time

\$125,000 Bond Anticipation Notes, 2010

Date: March 16, 2010

Maturity: March 16, 2011

Dear Mr. Moore:

For the \$125,000 Bond Anticipation Notes, 2010 of the Town of Webb, Herkimer County, New York as described in the annexed Notice of Sale which is hereby made a part of this bid, we will pay par value and a premium of \$_____ and accrued interest to date of delivery with said Notes to bear interest from their date until their maturity at the rate of _____% per annum.

The following is our computation of the 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:

Gross Interest	\$ _____
Less Premium	\$ _____
Net Interest Cost	\$ _____
Net Interest Rate	_____ % (four decimals)

In the event we are awarded said Notes, we will promptly notify you of the denominations and paying agent we select or if we chose book-entry only notes in accordance with the terms of said Notice of Sale.

Print Name of Bidder

Bank/Institution

Telephone () _____

Telefax () _____