

NOTICE OF SALE

TOWN OF AMSTERDAM, MONTGOMERY COUNTY, NEW YORK \$3,470,000 Public Improvement (Serial) Bonds, 2010

Telephone (315-752-0051 Ext. 1), facsimile (315-752-0057) or written proposals will be received and considered by Mr. Thomas P. DiMezza, Town Supervisor and Chief Fiscal Officer, Town of Amsterdam, Montgomery County, New York (the "Town"), at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Syracuse, New York 13202 until 11:30 A.M., Prevailing Time, on the 6th day of April, 2010, for the purchase in Federal Funds, at not less than par and accrued interest of \$3,470,000 Public Improvement (Serial) Bonds, 2010 (the "Bonds"), to be dated April 15, 2010, and maturing in annual principal installments on April 15 of each calendar year, which, together with interest thereon, are expected to provide for substantially level or declining annual debt service on such Bonds, as defined and described in paragraph d of Section 21.00 of the New York State Finance Law, as follows:

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$ 50,000	2021	\$ 85,000 *	2031	\$ 140,000 *
2012	55,000	2022	90,000 *	2032	145,000 *
2013	60,000	2023	95,000 *	2033	150,000 *
2014	60,000	2024	100,000 *	2034	160,000 *
2015	65,000	2025	105,000 *	2035	170,000 *
2016	65,000	2026	110,000 *	2036	175,000 *
2017	70,000	2027	115,000 *	2037	185,000 *
2018	75,000	2028	120,000 *	2038	195,000 *
2019	75,000	2029	125,000 *	2039	205,000 *
2020	80,000 *	2030	130,000 *	2040	215,000 *

* The Bonds maturing in the years 2020 to 2040 are subject to redemption prior to maturity as described in the Official Statement under the heading "Optional Redemption."

** Subject to change in order to achieve substantially level or declining annual debt service.

The Bonds shall bear interest at the rate or rates per annum specified by the successful bidder therefore, payable October 15, 2010 and semi-annually thereafter on April 15 and October 15 of each calendar year until maturity.

The Bonds will be issued in the form of fully registered certificated bonds, in denominations corresponding to the total principal due in each year of maturity. As a condition to the 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, 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 is a 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 Bonds. Individual purchases of beneficial ownership interests in the Bonds 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 denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds will be payable by the Town or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. 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.

Bonds maturing on or before April 15, 2019 shall not subject to redemption prior to maturity. The Bonds maturing on or after April 15, 2020 shall be subject to redemption prior to maturity on not less than thirty (30) days notice as a whole or in part (and by lot if less than all of the maturity is to be redeemed), at the option of the Town, on April 15, 2019, or on any interest payment date thereafter at par.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity are to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town Treasurer. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such 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 call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The State Constitution requires the Town to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of such Bonds. 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 Town, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the Town may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Each bid must be for all of the \$3,470,000 Bonds and must state in a multiple of one-hundredth (1/100th) or a multiple of one-eighth (1/8th) of one per centum the rate of interest per annum which the Bonds are to bear, 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; (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) the maximum difference between the highest and lowest rates of interest bid for the Bonds may not exceed one and one-half per centum (1.50%) per annum.

Interest will be calculated on the basis of thirty (30) days to the month and three hundred sixty (360) days to the year. Unless all bids are rejected, the Bonds will be awarded and sold to the bidder complying with the terms of this Notice of Sale and offering to purchase the Bonds at the lowest net interest cost. The Town reserves the right to reject any or all bids, and any bid not complying with this Notice of Sale will be rejected.

A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a Financial Surety Bond in the amount of \$69,400 payable to the order of the Town of Amsterdam, New York, is required for each bid to be considered. If a check is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company licensed to issue such a bond in the State of New York, and such bond must be submitted to the Town or its Financial Advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser ("Purchaser") is required to submit its deposit to the Town or its Financial Advisor in the form of a cashier's check (or wire transfer such amount as instructed by the Town or its Financial Advisor) not later than 3:30 P.M., Prevailing Time, on the next business day following the award. If such Deposit is not received by that time, the financial surety bond may be drawn by the Town to satisfy the Deposit requirement. No interest in 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 Town.

Unless otherwise agreed to, the Bonds will be delivered to DTC in New York, New York on or about April 22, 2010. 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. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the Town will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to failure of the successful bidder to obtain such numbers and to supply them to the Town in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds 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 bidder.

The Bonds 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 the Bonds and interest thereon, without limitation as to rate or amount. The Town will, pursuant to the Constitution of the State of New York, pledge its faith and credit for the payment of the principal of the Bonds and interest thereon and will make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The Constitution also requires that, if at any time the Town fails to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received, which revenues shall be applied for such purposes. The Supervisor may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Upon delivery of and payment for the Bonds, the purchaser will be furnished without cost with the approving

opinion of Roemer Wallens Gold & Mineaux LLP, Albany, New York, Bond Counsel to the Town, to the effect that the Bonds are valid and legally binding general obligations of the Town, for the payment of which the Town has validly pledged its faith and credit, and all real property within the Town subject to taxation by the Town 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. Among other things, the opinion of Bond Counsel will also state that (a) assuming continuous compliance with the covenants and representations of the Town contained in the records and certificates relating to the authorization and issuance of the Bonds, (i) interest on the Bonds is presently 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 applicable to individuals and corporations, although such interest is included in the adjusted current earnings of a corporate owner of the Bonds and 75% if the interest on the Bonds is thus includable in the tax base for purposes of computing a corporation's liability with respect to the 20% alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the "Code"); (ii) interest on the Bonds may be subject to a branch profits tax imposed on certain foreign corporations pursuant to the Code; and (iii) the Bonds are not "arbitrage bonds" under Section 148 of the Code; (b) interest on the Bonds is presently exempt from New York State and New York City personal income taxes; (c) the enforceability of the Bonds is subject to applicable existing or future provisions of the Federal Bankruptcy Code and insolvency laws of the State of New York and may be subject to other New York State or Federal laws relating to rights of creditors; and (d) the scope of the engagement of Roemer Wallens Gold & Mineaux LLP, as Bond Counsel in relation to the Bonds, has extended solely to rendering the opinions expressed in said opinion, 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 Town for use in connection with the offer and sale of the Bonds.

The Bonds will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. The successful bidder may, at its option, refuse to accept the Bonds if prior to the delivery of the Bonds any income tax law shall provide that the interest on such Bonds is taxable, or shall be taxable at a future date, for Federal income tax purposes.

THE TOWN 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 24 HOURS 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.

If the Bonds qualify for the issuance of any policy of municipal bond insurance or a commitment therefor, the purchase or issuance of any such insurance or commitment shall be at the sole option, cost and expense of the successful bidder. The lack of insurance shall not constitute cause for a failure or refusal by the bidder to accept delivery of and pay for the Bonds.

Any party executing and delivering a bid for the Bonds agrees, if its bid is accepted by the Town, to provide to the Town, 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.

The population of the Town is estimated to be 5,742. The debt statement of the Town, prepared as of March 22, 2010, will show (i) the average full valuation of real property subject to taxation by the Town to be \$471,034,437, (ii) the debt limit of the Town to be \$32,972,411; and (iii) the total net indebtedness of the Town (exclusive of the Bonds) subject to the debt limit to be \$3,620,000.

There is an Official Statement which accompanies this Notice of Sale.

Dated: March 26, 2010

THOMAS P. DIMEZZA
Town Supervisor and Chief Fiscal Officer

PROPOSAL FOR BONDS

Mr. Thomas P. DiMezza, Town Supervisor
 Town of Amsterdam, Montgomery County, New York
 c/o Fiscal Advisors & Marketing, Inc.
 120 Walton Street
 Syracuse, New York 13202
 Telephone # 315-752-0051 Ext. 1
 Telefax # 315-752-0057

SALE DATE: APRIL 6, 2010
SALE TIME: 11:30 AM, PREVAILING TIME

\$3,470,000 Public Improvement (Serial) Bonds, Series 2010

Dear Sir:

For the \$3,470,000 Public Improvement (Serial) Bonds, Series 2010 of the Town of Amsterdam, Montgomery County, New York, subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay Three Million Four Hundred Seventy Thousand Dollars (\$3,470,000) plus a premium of _____ Dollars (\$_____) and accrued interest to date of delivery, 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 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>
2011	_____ %	2021	_____ %	2031	_____ %
2012	_____ %	2022	_____ %	2032	_____ %
2013	_____ %	2023	_____ %	2033	_____ %
2014	_____ %	2024	_____ %	2034	_____ %
2015	_____ %	2025	_____ %	2035	_____ %
2016	_____ %	2026	_____ %	2036	_____ %
2017	_____ %	2027	_____ %	2037	_____ %
2018	_____ %	2028	_____ %	2038	_____ %
2019	_____ %	2029	_____ %	2039	_____ %
2020	_____ %	2030	_____ %	2040	_____ %

Check ONE of the following:

- We enclose herewith a cashier's or certified check for \$69,400 payable to the order of the Town of Amsterdam, Montgomery County, New York, to be returned to the undersigned upon the award of said 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 sent.

Telephone ()

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Bond Sale, but not constituting any part of the foregoing proposal for the purchase of the \$3,470,000 Bonds therein described:

Gross Interest	\$ _____
Premium Bid Over Par	\$ _____
Net Interest Cost (NIC)	\$ _____
Effective NIC Rate	_____ % (four decimals)

Receipt for return of good faith deposit:

Received from Mr. Thomas P. DiMezza, Town Supervisor, a check for \$69,400 representing the return of our good faith deposit.
