

## NOTICE OF SALE

# COUNTY OF WASHINGTON, NEW YORK

### **\$1,460,000 Bond Anticipation Notes, 2010**

Telefax (315-752-0057), telephone (315-752-0051, **Ext. 1**) or written bids will be received and considered by the undersigned County Treasurer of the County of Washington, 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 **13<sup>th</sup> day of May, 2010** for the purchase in Federal Funds, at not less than par and accrued interest of \$1,460,000 Bond Anticipation Notes, 2010 (the "Notes") dated May 20, 2010 and maturing May 20, 2011, 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 County, 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 County 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 the State of New York, including among others, the County Law, the New York State Local Finance Law and various bond resolutions adopted by the County Legislature to finance the County Road Project (\$1,000,000), Colfax Radio Equipment Project (\$210,000) and sewer system improvements (\$495,000). The proceeds of the Notes will renew \$1,210,000 bond anticipation notes maturing on May 21, 2010 and provide new monies for the aforementioned purposes.

The purchaser shall have the option of having the Notes issued as physical certificates or in the form of book-entry-only notes registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York or issued as bearer notes. If the Notes are issued as bearer notes, principal of and interest on said Notes will be payable at maturity in lawful money of the United States of America (Federal Funds) at such bank or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder. Paying agent fees, if any, are to be paid by the purchaser. The Notes will be issued in denominations of \$100,000, and in increments of \$5,000 in excess thereof, as may be designated by the purchaser.

The Notes may not be sold to more than thirty-five (35) persons, each of whom (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investing in the Notes, and (b) is not purchasing for more than one account or with a view to distribution of the Notes.

Said Notes will be delivered in New York, New York or at such place as may be agreed with the purchaser on or about May 20, 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 requests the Notes to be issued in registered form, the County of Washington 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 or name a Paying Agent for the Notes. The County of Washington's contact information is as follows: Phyllis Cooper, County Treasurer, 383 Broadway, Washington County Municipal Center, Fort Edward, New York 12828, Phone: (518) 746-2220, Telefax: (518) 746-2234, Email: pcooper@co.washington.ny.us.

**The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, (as amended (the "Code")).**

Each bid must be for all of the 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. Unless all bids are rejected, the award will be made to the bidder complying with the terms of this Notice 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. If two or more bids offering to purchase the 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 the County to reject all bids.

If the purchaser 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 denominations corresponding to the aggregate principal amount for each Note bearing the same rate of interest and CUSIP number. In the event that the Purchaser chooses 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, 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 County) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$100,000 or integral multiples thereof, except for a necessary \$5,000 denomination. Principal of and interest on the Notes will be payable by the County 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 County 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 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 Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the County, 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: (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, (ii) an arbitrage certificate executed on behalf of the County 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 County 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 Hiscock & Barclay, LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally bonding obligations of the County, 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 interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code and that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; and (b) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Notes to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel has advised that (1) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, the Code provides that such insurance company's deduction for loss is reduced by 15% of the sum of certain items, including interest on the Notes, (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under Section 1375 of the Code for Subchapter C earnings and profits at the close of the year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; (4) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under Section 32(i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit.

A Noteholder's Federal, State and local tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature and extent of these other consequences will depend upon Noteholder's other items of income or deduction. Bond Counsel has expressed no opinion regarding any other such tax consequences. Each purchaser of the Notes should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

Following the sale of the Notes, the successful bidder will be required to provide to the County certain information regarding the reoffering price to the public of the Notes. The successful bidder shall furnish to the County 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 to accompany this Notice of Sale.

**Dated: May 4, 2010**

**PHYLLIS COOPER**  
**County Treasurer**

**PROPOSAL FOR NOTES**

Ms. Phyllis Cooper, County Treasurer  
County of Washington, 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: May 13, 2010**  
**SALE TIME: 11:30 A.M., Prevailing Time**

**\$1,460,000 Bond Anticipation Notes, 2010**

**Date: May 20, 2010**

**Maturity: May 20, 2011**

Dear Madam:

For \$1,460,000 Bond Anticipation Notes, 2010 of the County of Washington, New York 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 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 therein described:

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

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

\_\_\_\_\_

Print Name of Bidder

\_\_\_\_\_

Bank/Institution

Telephone ( ) \_\_\_\_\_

Telecopier ( ) \_\_\_\_\_

Email Address \_\_\_\_\_