

NOTICE OF BOND SALE

\$2,459,850

TOWN OF STILLWATER

SARATOGA COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010

Telephone (315-752-0051 **Ext. 1**), telefax (315-752-0057) or written proposals will be received by the Town Supervisor of the Town of Stillwater, Saratoga County, New York (the "Town"), at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street - Suite 600, Syracuse, New York 13202, on

THURSDAY, JULY 22, 2010

until 11:30 a.m. (Prevailing Time), at which time and place the bids will be publicly opened and announced, for the purchase, IN FEDERAL FUNDS, at not less than par and accrued interest, of \$2,459,850 Public Improvement (Serial) Bonds, 2010 (the "Bonds") due on July 15, as follows:

MATURITIES**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	\$ 124,850	2016	\$ 150,000	2021	\$ 180,000*
2012	130,000	2017	155,000	2022	190,000*
2013	135,000	2018	160,000*	2023	195,000*
2014	140,000	2019	165,000*	2024	205,000*
2015	145,000	2020	175,000*	2025	210,000*

* The Bonds maturing in the years 2018 to 2025 are subject to redemption prior to maturity as described herein.

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

The Bonds will be dated July 15, 2010 and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable on January 15, 2011 and semiannually thereafter on July 15 and January 15 in each year until maturity. The Bonds will be issued in fully registered form 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. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing July 15, 2011. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds.

The Bonds maturing on or before July 15, 2017 shall not be subject to redemption prior to maturity. The Bonds maturing on or after July 15, 2018 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 a maturity is to be redeemed) at the option of the Town on July 15, 2017 or on any interest payment date thereafter at par, plus accrued interest to the date of redemption at par value.

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 Town by lot in any customary manner of selection as determined by the Town Supervisor. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days or 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 BONDS WILL BE DESIGNATED BY THE TOWN AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" PURSUANT TO THE PROVISIONS OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The Bonds are general obligations of the Town. There is no limitation, either as to rate or amount, upon ad valorem taxes upon taxable real property in the Town which may be required to pay the Bonds and the interest thereon. 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 principal of the 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, and 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 proposal must be a bid of not less than \$2,459,850 for all of the Bonds. Each bid for the Bonds may state different rates of interest for Bonds maturing in each calendar year, provided, however, that (1) only one rate of interest may be bid for Bonds of the same maturity, (2) the maximum difference between the highest and the lowest interest rates may not exceed two per centum per annum, (3) variations in rates of interest so bid shall be in ascending order of maturity so that the rate of interest on any single maturity of Bonds shall not be less than the rate of interest applicable to any prior maturity, and (4) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Each proposal must be addressed to Mr. Edward D. Kinowski, Town Supervisor, Town of Stillwater, Saratoga County, New York, c/o

Fiscal Advisors & Marketing, Inc., 120 Walton Street - Suite 600, Syracuse, New York 13202. A good faith deposit in the amount of \$49,197 must be submitted with each proposal. Such deposit may be in the form of (1) a certified or cashier's check payable to the order of the Town of Stillwater, Saratoga County, New York, or (2) a wire transfer in accordance with instructions herein. If a wire transfer is used, it must be sent to Ballston Spa National Bank, ABA #021304675, Town of Stillwater Account #0807047503, not later than 10:00 a.m. on the date of the sale. No interest will be allowed on the good faith deposit. The right is reserved to reject all bids, and any bid not complying with the terms of this notice will be rejected.

Unless all bids are rejected, the Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the 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 lowest net interest cost, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount. The successful bidder must also pay an amount equal to the interest on the Bonds, if any, accrued to the date of payment of the purchase price. Notwithstanding anything herein to the contrary, the Town reserves the right to waive any technical defects, omissions or other deficiency in the form of any proposal submitted for consideration.

When the successful bidder has been ascertained, the Town Supervisor will promptly return all deposits made to the persons making the same, except the deposit made by such bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw its proposal until after 5:00 p.m. (Prevailing Time) on the day of such bid opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to it, and if it refuses or neglects to pay the agreed price of the Bonds less the amount deposited by it, the amount deposited by it shall be forfeited to and retained by the Town as liquidated damages for such neglect or refusal.

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 BOND SALE TO BE TRANSMITTED OVER THE TM3. Any such supplemental notice shall not change the terms of the sale of the Bonds other than the time or date for opening of bids, the amount of principal scheduled to be repaid in each year, the right of redemption prior to maturity and the face value at maturity of the issue or any installment thereof.

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 of insurance to be issued shall not constitute cause for failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds in accordance with the terms hereof.

The Bonds are to be issued pursuant to the State Constitution, statutes of the State of New York, including, among others, the Town Law and the Local Finance Law, and bond resolutions adopted by the Town Board of the Town. The proceeds of the Bonds, together with current funds of the Town in the amount of \$174,594, will refund \$2,634,444 bond anticipation notes outstanding.

The 2008 estimated population of the Town as shown by the U.S. Census is 8,201. 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 July 8, 2010, shows the average full valuation of real property subject to taxation by the Town to be \$653,007,963, its debt limit to be \$45,710,557 and its total net indebtedness subject to the debt limit to be \$5,342,513. The issuance of the Bonds will not increase such total net indebtedness.

The deposit of the Bonds with DTC under the 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 the 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 successful bidder.

The Bonds will be delivered to DTC and shall be paid for in Federal Funds on or about July 29, 2010, at such place in New York, New York and on such business day and at such hour as the Town Supervisor shall fix on three (3) business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

The successful bidder will be furnished without cost with the approving legal opinion of Walsh & Walsh, LLP, Saratoga Springs, New York, Bond Counsel, stating that, under existing law, interest on the Bonds is 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 imposed on individuals and corporations, nor is such interest included in adjusted current earnings of certain corporations for purposes of the federal alternative minimum tax imposed on corporations, with certain exceptions described in the Official Statement prepared by the Town in connection with the sale of the Bonds, and that, under existing law, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. Reference should be made to the 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 approving opinion.

In the event that prior to the delivery of the Bonds the interest thereon becomes includable in the gross income of the owners thereof for federal income tax purposes by the terms of any income tax law of the United States of America, the successful bidder may, at its option, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit made by it will be returned.

The obligations hereunder to deliver or accept the Bonds pursuant hereto shall be conditioned on the availability to the successful bidder and delivery at the time of delivery of the Bonds of such approving opinion and (1) a certificate of the Town Supervisor to the effect that, as of the date

of the Official Statement and at all times subsequent thereto, up to and including the time of delivery of the Bonds, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and further stating that, to his knowledge, since the date of the Official Statement up to and including the time of delivery of the Bonds, there have been no adverse material transactions not in the ordinary course of affairs entered into by the Town or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement, (2) a certificate of the Town Supervisor evidencing payment for the Bonds, (3) a closing certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is at the time of delivery of the Bonds pending or, to the knowledge of the signers, threatened to restrain or enjoin the issuance or delivery of the Bonds, or the levy and collection of taxes or assessments to pay the Bonds, or in any manner questioning or affecting, directly or indirectly, the validity of the Bonds or the proceedings or authority for the issuance of the Bonds, or contesting the corporate existence or boundaries of the Town or the title of the signers to their respective offices, and (b) no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded, (4) an arbitrage and use of proceeds certificate relating to the use and investment of the proceeds of the Bonds, and (5) a certificate of the Town Supervisor evidencing the Town's covenant to the beneficial owners of the Bonds to provide, so long as the Bonds are outstanding, annual reports of certain financial information and operating data of the Town and notices of certain material events (which covenant is more fully described in the Official Statement).

Following the sale of the Bonds, the successful bidder will be required to provide to the Town such information requested by the Town as shall be necessary to enable the Town to determine the "issue price" of the Bonds as defined in Sections 1273 or 1274 of the Internal Revenue Code of 1986, as amended.

An Official Statement will be submitted to any interested bidder upon request. The Official Statement is deemed to be a final official statement, as of its date, within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission ("SEC"), subject to completion with certain pricing and other information to be made available by the successful bidder 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. Within five business days following receipt by the Town thereof, the Town will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of the Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the Town from furnishing the Official Statement as described above. The Town 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 the Official Statement 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 the final Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of the Town with respect to the preparation and delivery thereof.

The Town will act as Paying Agent for the Bonds. The Town's contact information is as follows: Mr. Edward D. Kinowski, Town Supervisor, Town of Stillwater, P.O. Box 700, Stillwater, New York 12170; Telephone (518) 664-6148; Telefax (518) 665-0267; E-mail ekinowski@stillwaterny.org.

Requests for copies of this Notice of Bond Sale and the Official Statement relating to the Bonds and such other information as the State Comptroller may prescribe by rule or order may be directed to Fiscal Advisors & Marketing, Inc., 120 Walton Street - Suite 600, Syracuse, New York 13202, Telephone (315) 752-0051, Telefax (315) 752-0057, Internet <http://www.fiscaladvisors.com>.

Dated: July 14, 2010

Edward D. Kinowski
Town Supervisor

PROPOSAL FOR BONDS

Mr. Edward D. Kinowski, Town Supervisor
 Town of Stillwater, Saratoga 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: July 22, 2010
Sale Time: 11:30 A.M., Prevailing Time

\$2,459,850 Public Improvement (Serial) Bonds, 2010

Dated: July 15, 2010

Due: July 15, 2011-2025

Dear Sir:

For \$2,459,850 Public Improvement (Serial) Bonds, 2010 of the Town of Stillwater, Saratoga County, New York, subject to the annexed Notice of Bond Sale which is hereby made a part of this bid, we will pay TWO MILLION FOUR HUNDRED FIFTY-NINE THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$2,459,850), plus a premium of _____ Dollars (\$ _____) and accrued interest from the date of the Bonds to the date of delivery thereof, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates (expressed in a multiple of one-eighth (1/8th) or one-hundredth (1/100th) of one per cent) 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	_____ %	2016	_____ %	2021	_____ %
2012	_____ %	2017	_____ %	2022	_____ %
2013	_____ %	2018	_____ %	2023	_____ %
2014	_____ %	2019	_____ %	2024	_____ %
2015	_____ %	2020	_____ %	2025	_____ %

Check ONE of the following:

- We enclose herewith a cashier's or certified check for \$49,197 payable to the order of the Town of Stillwater, Saratoga 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.
- We have wired \$49,197 in Federal Funds pursuant to the instructions detailed in the annexed Notice of Bond Sale for the account of the Town of Stillwater, Saratoga County, New York, 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 this bid.

 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 \$2,459,850 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. Edward D. Kinowski, Town Supervisor, a check for \$49,197 representing the return of our good faith deposit.
