

NOTICE OF SALE

TOWN of ULSTER
ULSTER COUNTY, NEW YORK

\$1,375,000 Bond Anticipation Notes, 2009 Series B

Telephone (315-752-0051 Ext. 1), telefax (315-752-0057) or written proposals will be received and considered by the undersigned Town Supervisor, of the Town of Ulster, Ulster County, New York, at the offices of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202 until **11:00 A.M., Prevailing Time**, on the **13th day of October, 2009** for the purchase in Federal Funds, at not less than par and accrued interest of \$1,375,000 Bond Anticipation Notes, 2009 Series B(the "Notes") to be dated October 21, 2009 and maturing October 21, 2010 with interest payable at maturity. **The Notes are to be issued without option of prior redemption.**

Principal of and interest on said Notes are payable at maturity in lawful money of the United States of America (Federal Funds) at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s). Paying agent fees, if any, are to be paid by the purchaser(s). The Notes may be issued in bearer form in the denomination of \$5,000 each or multiples thereof, as may be designated by the purchaser(s) and as stated below.

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

Said Notes will be delivered in New York, New York or at such place as may be agreed with the purchaser(s) on or about October 21, 2009. The purchase price of said Notes, in accordance with each purchaser's(s') bid, shall be paid in Federal Funds or other funds available for immediate credit on said delivery date.

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

Each bid may be for any part of said Notes and state a single rate of interest therefor in a multiple of 1/100 or 1/8 of one per centum per annum. Interest will be calculated on the basis of a 360-day year and a 30-day month. Any bidder may submit two separate bids at different rates of interest. Each bid must be for not less than the par value of the Notes bid for. All or none bids will be rejected.

The Town's contact information is as follows: Ms. Ann Mitchell, Bookkeeper, 1 Town Hall Drive, Lake Katrine, New York 12449, Phone: 845-382-2765, Ext. 303, Telefax:845-382-2769, Email: ann@townofulster.org

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. In the event bids offering the same lowest net interest cost are received, an award will be made to the bidder offering to purchase the greater principal amount of Notes. 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 Town to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any, specified by such bidder will be pro-rated. In any event, the award of said Notes will be made on the basis of the bid or combination of bids offering to purchase the Notes on terms most favorable to said Town. The right is reserved by said Town to reject any and all bids and any bid not complying with this Notice of Sale will be rejected.

If the purchaser(s) notifies Bond Counsel by 3:00 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(s) choose registered notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note 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 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 denominations 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(s) 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(s) 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(s).

As a condition to each purchaser'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 certificate of the Supervisor of the Town certifying that (a) as of the date of the Official Statement furnished by the Town in relation to said Notes which Official Statement is deemed by the Town to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allowable under said Rule, said Official Statement did not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to her knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the Town and no material adverse changes in the general affairs of the Town or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement, (ii) 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, (iii) 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; (iv) a Certificate of the Town, executed by the Town Supervisor, stating that the Town has agreed, in accordance with the Rule to provide or cause to be provided, timely notice of the occurrence of certain material events with respect to the Notes and (v) the unqualified legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Notes and matters covered by such legal opinion.

Following the sale of the Notes, the successful bidder(s) will be required to provide to the Town certain information regarding the reoffering price to the public of the Notes. The successful bidder(s) 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(s) after appropriate investigation.

Any party executing and delivering a bid for the Notes 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(s) 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(s), in reasonable quantities as requested by the successful bidder(s), copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder(s) to provide such information will prevent the Town from furnishing such Official Statement as described above. The Town shall not be responsible or liable in any manner for the successful bidder(s)'s determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder(s) or for failure to furnish such Official Statements as described above which results from a failure by the successful bidder(s) to provide the aforementioned information within the time specified. Acceptance by the successful bidder(s) of such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligations of said Town with respect to the preparation and delivery thereof.

Dated: October 2, 2009

NICKY B. WOERNER
Town Supervisor

PROPOSAL FOR NOTES

**Sale Date: October 13, 2009
11:00 A.M., Prevailing Time**

Mr. Nicky B. Woerner, Town Supervisor
Town of Ulster, Ulster 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

TOWN OF ULSTER

ULSTER COUNTY, NEW YORK

\$1,375,000 Bond Anticipation Notes, 2009

Dated: October 21, 2009

Maturity: October 21, 2010

Dear Mr. Woerner:

(1) For \$ _____ of the Notes of the Town as described in the Notice of Sale annexed hereto, we hereby offer to pay (\$ _____) 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 Town as described in the Notice of Sale annexed hereto, we hereby offer to pay (\$ _____) 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 desired or if we desire book-entry-only notes in accordance with the terms of said Notice of Sale.

Print Name of Bidder

Bank/Institution

Telephone () _____

Telefax () _____

Email Address _____