

\$3,550,434

COUNTY OF ULSTER, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2009

NOTICE OF BOND SALE

Telephone (315-752-0051 **Ext. 1**), telefax (315-752-0057) or written proposals will be received and considered by the undersigned Commissioner of Finance of the County of Ulster, New York, at the Office of Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, until **11:00 o'clock A.M.**, Prevailing Time, on the **3rd day of November, 2009**, at which time and place the bids will be opened, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of

\$3,550,434 Public Improvement (Serial) Bonds, 2009, of said County, dated November 15, 2009, and maturing in annual principal installments which, together with interest thereon, 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 Local Finance Law, as follows: \$180,434 on November 15, 2010, \$190,000 on November 15, 2011, \$195,000 on November 15, 2012, \$200,000 on November 15, 2013, \$210,000 on November 15, 2014, \$215,000 on November 15, 2015, \$225,000 on November 15, 2016, \$235,000 on November 15, 2017, \$240,000 on November 15, 2018, \$250,000 on November 15, 2019, \$260,000 on November 15, 2020, \$270,000 on November 15, 2021, \$280,000 on November 15, 2022, \$295,000 on November 15, 2023, and \$305,000 on November 15, 2024, with interest thereon payable on May 15, 2010, and semi-annually thereafter on November 15 and May 15.

The bonds will initially be issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the bonds. Ownership interest in the bonds will be transferred pursuant to the "Book-Entry-Only System" of DTC, as described in the Official Statement prepared by the County with respect to the bonds. Principal and interest on the bonds will be payable by check or draft mailed by DTC, or to its nominee, Cede & Co., as the registered owner of the bonds. Principal and interest will be payable in lawful money of the United States of America. Bonds will be fully registered and will be valid and legally binding general obligations of said County, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay said bonds and interest thereon, without limitation as to rate or amount. The bonds may not be converted into coupon bonds or be registered to bearer.

The Bonds maturing on or before November 15, 2018 shall not be subject to redemption prior to maturity. The Bonds maturing on or after November 15, 2019 shall be subject to redemption prior to maturity 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 County on November 15, 2018 or on any date thereafter at par (100%), plus accrued interest to the date of redemption.

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 County by lot in any customary manner of selection as determined by the Commissioner of Finance. Notice of such call for redemption shall be given by transmitting 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 County 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 County, 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 County 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 said \$3,550,434 serial bonds and may state a single rate of interest or different rates of interest for bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all bonds maturing in any one calendar year, (ii) the maximum difference between the highest and lowest rate of interest bid for the bonds may not exceed four per centum per annum, (iii) 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 (iv) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one per centum per annum. Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase said 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; provided, however, that the County reserves the right, in its sole discretion, after selecting the low bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service. Any such adjustment by the County shall be conclusive and shall be binding upon the successful bidder. If two or more such bidders offer to purchase the bonds at the same net interest cost, computed as described above, the bonds will be awarded to the bidder whose bid offers to purchase the bonds at the highest premium dollar amount. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale, except as provided above, will be rejected.

Each bid must be enclosed in a sealed envelope addressed to the undersigned Commissioner of Finance of the County, and should be marked on the outside "Proposal for Bonds". A good faith deposit (the "Deposit") in the amount of \$71,008 must be submitted with each bid. Such Deposit may be in the form of: (i) a certified or cashier's check payable to the order of the County of Ulster, New York, or (ii) a wire transfer in accordance with instructions herein. If a check is used, it must accompany each bid. If a wire transfer is used, it must be sent to the account so designated by the County for such purpose, not later than 10:00 A.M. on the date of the sale and the wire reference number must be provided on the "Proposal for Bonds" when the bid is submitted. Bidders are instructed to contact Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202 (telephone (315) 752-0051, facsimile (315) 752-0057), the County's financial advisor, no later than 24 hours prior to the bid opening to obtain the County's wire instructions. No interest on the Deposit will accrue to the Purchaser. Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the County Law and the Local Finance Law, and are issued for the following purposes:

- Old Post Road culvert (\$180,000);
- Kerhonkson Bridge (\$149,000);
- Police vehicles and sedans (\$276,964);
- Pick-up trucks (\$38,000);
- Connelly Road Bridge (\$71,000);
- Corners Bridge (\$130,000);
- Highway equipment (\$1,205,000);
- Reconstruction of roads (\$350,000);
- Salt storage facility (\$800,470); and
- Reconstruction of bridges (\$150,000) and (\$200,000).

THE COUNTY 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 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 a failure or refusal by the purchaser of the bonds to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract.

In the event that prior to the delivery of the bonds, the income received by owners thereof from bonds of the same type and character becomes includable in the gross income of such owners for Federal income tax purposes, the successful bidder may, at his election, be relieved of his obligations under the contract to purchase the bonds, and in such case, the deposit accompanying his bid will be returned.

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 the day of delivery, in an amount equal to the par amount of such bonds, plus the premium, if any, plus accrued interest from the date of such bonds until said day of delivery, less the amount of the good faith deposit. The closing on said bonds will take place at the offices of Orrick, Herrington & Sutcliffe LLP, 666 Fifth Avenue, 18th Floor, New York, New York, on or about November 19, 2009.

CUSIP identification numbers will be printed on said bonds 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 date following the date of sale of the bonds, but neither the failure to print such number on any bond 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 said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; 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.

The bonds will be available for inspection by the purchaser at DTC, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time.

As a condition to the purchaser's obligation to accept delivery of and pay for the bonds, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the bonds: (i) a certificate of the Commissioner of Finance certifying that (a) as of the date of the Official Statement furnished by the County in relation to said bonds (which Official Statement is deemed by the County 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 a 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 County is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his 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 County and no material adverse changes in the general affairs of the County 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 receipt for the bond 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 bonds; (iii) an arbitrage certificate executed on behalf of the County which includes, among

other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the bonds that the County will, among other things, (A) take all actions on its part necessary to cause interest on the bonds 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 bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the bonds and any obligations refunded with proceeds of the bonds, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the bonds 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 bonds and investment earnings thereon on certain specified purposes; (iv) a Continuing Disclosure Undertaking Certificate of the County, executed by the Commissioner of Finance, stating that the County has agreed, in accordance with the Rule, to provide or cause to be provided during any succeeding fiscal year in which the bonds are outstanding, (a) on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is prepared, sixty days following receipt by the County of the audited financial statement for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with certain information contained or cross-referenced in the Official Statement, together with such audited financial statement for such year, if any; (b) timely notice of the occurrence of certain material events with respect to the bonds; and (c) timely notice of a failure by the County to provide the required annual financial information and operating data, together with such audited financial statement, if any, described in (a) above on or before the date specified in (a) above; and (v) the unqualified legal opinion as to the validity of the bonds of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. 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 bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Legal Matters" in the Official Statement.

The County will designate the bonds as "qualified tax exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

Following the sale of the bonds, the successful bidder will be required to provide to the County certain information regarding the reoffering price to the public of each maturity of the bonds. The successful bidder shall furnish to the County a certificate acceptable to Bond Counsel, dated as of the day of closing for the bonds, stating the initial prices at which a bona fide public offering of all of the bonds was made and stating that 10% or more of the bonds of each maturity 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.

Any party executing and delivering a bid for the bonds agrees, if its bid is accepted by the County, to provide to the County, 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 County thereof the County will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the County from furnishing such Official Statement as described above. The County 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 such Official Statements 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 such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligations of said County with respect to the preparation and delivery thereof.

The population of the County as shown by the 2007 U.S. Census is estimated to be 181,755. The Debt Statement to be filed, pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the bonds herein described, prepared as of October 19, 2009, will show the average full valuation of real estate subject to taxation by the County to be \$18,326,259,642, its debt limit to be \$1,282,838,175, and its total net indebtedness subject to the debt limit to be \$101,965,434. The proceeds of such bonds along with \$5,000 available funds will be used to retire outstanding indebtedness, evidenced by \$3,205,434 bond anticipation notes. The indebtedness to be evidenced by such bonds will increase such net indebtedness by \$350,000. A detailed Official Statement will be furnished to any interested bidder upon request.

The County will act as Paying Agent for the Bonds. The County's contact information is as follows: Mr. Paul J. Hewitt, Commissioner of Finance, 244 Fair Street - 4th Floor, P.O. Box 1800, Kingston, New York 12402, Phone: (845) 340-3460, Telefax: (845) 340-3430, E-mail: phew@co.ulster.ny.us.

**Dated: Kingston, New York,
October 22, 2009.**

Commissioner of Finance

PROPOSAL FOR BONDS

Mr. Paul J. Hewitt, Commissioner of Finance
 County of Ulster, 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: November 3, 2009
Sale Time: 11:00 o'clock A.M., Prevailing Time

Dear Mr. Hewitt:

For the \$3,550,434 Public Improvement (Serial) Bonds, 2009 of the County of Ulster, New York, subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay Three Million Five Hundred Fifty Thousand Four Hundred Thirty Four Dollars (\$3,550,434) 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>
2010	_____ %	2015	_____ %	2020	_____ %
2011	_____ %	2016	_____ %	2021	_____ %
2012	_____ %	2017	_____ %	2022	_____ %
2013	_____ %	2018	_____ %	2023	_____ %
2014	_____ %	2019	_____ %	2024	_____ %

Check ONE of the following:

- We enclose herewith a cashier's or certified check for \$71,008 payable to the order of the County of Ulster, 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 \$71,008 in Federal Funds pursuant to the instructions detailed in the Official Notice of Bond Sale for the account of the County of Ulster, which is to be applied in accordance with the Official 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 \$3,550,434 Bonds therein described:

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

Telephone () _____
 Telefax () _____

Receipt for return of good faith deposit:

Received from Mr. Paul J. Hewitt, Commissioner of Finance, a check for \$71,008 representing the return of our good faith deposit.

 Signature of Bidder