

NOTICE OF BOND SALE

**\$924,135
VILLAGE OF ANGELICA
ALLEGANY COUNTY, NEW YORK
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2010 SERIES B
(FEDERALLY TAXABLE) (BOOK-ENTRY-ONLY BONDS)**

Dated Date: April 15, 2010 Maturity Dates: April 15, 2011-2018 inclusive
Sale Date: April 22, 2010

Bids Accepted Until: 11:30 A.M. (Prevailing Time)

Location: Fiscal Advisors & Marketing, Inc.
120 Walton Street, Suite 600
Syracuse, New York 13202

Sealed proposals will be received and considered by the undersigned Village Clerk/Treasurer (or her designated agent) of the Village of Angelica, Allegany County, New York (the "Village") as outlined above for the purchase of \$924,135 Public Improvement (Serial) Bonds, 2010 Series B (Federally Taxable Series), of the Village (the "Bonds"). Proceeds of the Bonds in the amount of \$294,000, along with \$6,000 in available funds of the Village, will be used to redeem and retire outstanding bond anticipation notes of the Village that were issued to finance the development and acquisition of improvements to the Village electric system. The remaining proceeds of the Bonds will provide new money for such purpose.

The Bonds will be valid and legally binding general obligations of the Village, for the payment of which the Village has pledged its faith and credit. All the taxable real property in the Village will be subject to the levy of ad valorem real estate taxes to pay the principal of the Bonds and the interest thereon, without limitation as to rate or amount. The New York State Constitution requires the Village 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 the Bonds. The 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 Village, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes. The Village Clerk/Treasurer may be required to set apart and apply such revenues as aforesaid at the suit of any holder of the Bonds.

The Bonds are payable in annual installments which, together with interest thereon, are expected to provide for substantially level or declining annual debt service with respect to the Bonds, as defined and described in paragraph d of Section 21.00 of the New York Local Finance Law, on April 15 in each year as follows:

| <u>Year</u> | <u>Amount*</u> | <u>Year</u> | <u>Amount*</u> |
|-------------|----------------|-------------|----------------|
| 2011 | \$89,135 | 2015 | \$120,000 |
| 2012 | 100,000 | 2016 | 125,000 |
| 2013 | 105,000 | 2017 | 135,000 |
| 2014 | 110,000 | 2018 | 140,000 |

* Amounts are subject to adjustment by the Village in accordance with Section 58.00(c)(2) of the Local Finance Law.

The Village may, after selecting the successful bidder as provided herein, and by 4:00 o'clock P.M. (Prevailing Time) on the Sale Date, adjust such installments of principal to the extent necessary to meet the requirements of substantially level or declining annual debt service. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.

The Bonds will not be subject to redemption, in whole or in part, prior to maturity.

The Bonds will be dated April 15, 2010 and will mature on April 15, in the years and amounts stated above and will bear interest payable October 15, 2010 and semi-annually thereafter on April 15 and October 15 in each year until maturity. The Bonds will be issued in registered form by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to the Depository Trust Company or its nominee ("DTC") and will be immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000, or any integral multiple thereof (with the exception of one bond of an odd denomination maturing in 2011), with transfer of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its nominee, to be held in trust until

maturity. Interest on the Bonds and the principal of the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. 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 of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Each proposal must be for all of the Bonds 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 all Bonds maturing in any one calendar year, (ii) the maximum difference between the highest and lowest rates of interest bid for the Bonds may not exceed one and one-half percentum (150 basis points) 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 percentum per annum. No proposed purchase price may be less than the par value of the principal amount of the Bonds. No proposal for less than all of the Bonds will be considered. Each successful bidder shall be obligated to pay the price bid plus accrued interest, if any, on the Bonds from April 15, 2010 to the date of delivery.

Written proposals for the purchase of the Bonds should be addressed as follows to the Sale Officer, viz.: Karen Herdman, Village Clerk/Treasurer of the Village of Angelica, c/o Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202. A good faith deposit will not be required. The right is reserved to reject any or all bids, and except as hereinafter provided, any bid not complying with the terms of this notice may be rejected.

Unless all bids are rejected, the Bonds will be awarded 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. In the event the Village receives two or more bids specifying the same lowest net interest cost, then the successful bidder shall be selected by the Village Clerk/Treasurer by lot from among all said bidders. Notwithstanding anything herein to the contrary, the Village reserves the right to waive any technical defects, omissions or other deficiencies in the form of any proposal submitted for consideration.

Award of the Bonds to a successful bidder, or rejection of any bids, is expected to be made promptly after opening of the bids, but a successful bidder may not withdraw its proposal until after 5 o'clock 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.

If the Bonds qualify for the 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 the Bonds in accordance with the terms of this Notice of Bond Sale.

The Bonds shall be paid for in Federal Funds or other funds available for immediate credit in New York, New York on or about April 29, 2010, or at such other place and time as may be agreed upon with the successful bidder.

THE VILLAGE RESERVES THE RIGHT TO CHANGE THE DATE AND TIME FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN TWENTY-FOUR HOURS PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF BOND SALE OVER TM3. IN ADDITION, SUCH NOTICE SHALL BE GIVEN TO THE NEWS MEDIA AND SHALL BE POSTED IN ONE OR MORE DESIGNATED PUBLIC LOCATIONS WITHIN THE VILLAGE AT LEAST TWENTY-FOUR HOURS PRIOR TO THE TIME AND DATE SET FOR THE OPENING OF BIDS.

The issuance of the Bonds is contingent on the Village's receipt of a formal exclusion from the Village's debt limit, under Section 123 of the Local Finance Law, for all or part of the amount of the intended issue. The Village has submitted an application to the New York State Comptroller's office for such an exclusion (on the basis of the proposed debt being self-liquidating) and is awaiting a final decision, which it expects to receive on or prior to the proposed sale date of the Bonds. If the Village receives a full or partial exclusion for the Bonds, in form satisfactory to it, the sale will proceed as planned. Otherwise, the Village will cancel the sale and provide appropriate notice of this decision.

The population of the Village is approximately 856 (per 2008 U.S. Census Bureau estimate). 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 April 7, 2010, will show the average valuation of real property subject to taxation by the Village to be \$18,585,258, the debt limit of the Village to be \$1,300,968 and the total net indebtedness of the Village (after factoring in applicable exclusions) to be

\$843,860 (exclusive of the Bonds). The Village's issuance of the Bonds will increase its total net indebtedness by \$624,135 (before application of the debt exclusion for which the Village has applied to OSC).

CUSIP identification numbers will be printed on the Bonds if Bond Counsel is provided with such numbers by the close of business on 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 the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Village, provided, however, that the CUSIP Service Bureau charge for the assignment of CUSIP 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 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 Village Clerk/Treasurer certifying that (a) as of the date of the Official Statement furnished by the Village in relation to the Bonds, the Official Statement did not contain any untrue statement 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 the Official Statement obtained from sources other than the Village is not guaranteed as to accuracy, completeness or fairness, the Village Clerk/Treasurer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of the Village Clerk/Treasurer, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the Village and no material adverse changes in the general affairs of the Village or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement, (ii) a Closing Certificate, evidencing receipt for the proceeds of the Bonds 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, and (iii) the approving opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, to the effect that the Bonds are valid and legally binding general obligations of the Village for which the Village has pledged its faith and credit and, unless paid from other sources, all the real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

In the opinion of bond counsel, interest on the Bonds is exempt from New York State and New York City personal income taxes.

The Official Statement, dated April 14, 2010, relating to the Bonds is in a form "deemed final" for purposes of SEC Rule 15c2-12(the "Rule"), except for the omission therefrom of those items allowable under the Rule.

Any party executing and delivering a bid for the Bonds agrees, if its bid is accepted by the Village, to provide to the Village in writing, within two business days after the date of such award, all information which such purchaser determines is necessary for it to comply with the Rule, including all necessary pricing and sale information, information with respect to the purchase of bond insurance, if any, and underwriter identification. Within five business days following receipt by the Village thereof, the Village will furnish to the purchaser, in reasonable quantities as requested by the purchaser, copies of such Official Statement, updated as necessary, and supplemented to include said information. Failure by the purchaser to provide such information will prevent the Village from furnishing said Official Statement as described above. The Village shall not be responsible or liable in any manner for the purchaser's determination of information necessary to comply with the Rule or the accuracy of any such information provided by the purchaser or for failure to furnish said Official Statements as described above which results from a failure by the purchaser to provide the aforementioned information within the time specified. Acceptance by the purchaser of such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligation of the Village with respect to the preparation and delivery thereof.

The Village will agree in a continuing disclosure undertaking (the "Disclosure Undertaking") to provide, or cause to be provided, in accordance with the requirements of the Rule, certain financial and other information and timely notice of the occurrence of certain material events. Reference is made to the Official Statement for further details regarding the Disclosure Undertaking. The Village is in compliance with all previous undertakings made pursuant to the Rule.

Requests for copies of the Official Statement of the Village relating to the Bonds offered hereby, additional copies of this Notice of Bond Sale or any other additional information may be directed to Fiscal Advisors & Marketing, Inc., 120 Walton Street, Suite 600, Syracuse, New York 13202, Phone 315.752.0051, Fax 315.752.0057.

Dated: April 14, 2010
Angelica, New York

Karen Herdman
Village Clerk-Treasurer

PROPOSAL FOR BONDS

Mr. Karen Herdman, Village Clerk-Treasurer
Village of Angelica, Allegany 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: THURSDAY, APRIL 22, 2010
11:30 A.M., PREVAILING TIME**

**VILLAGE OF ANGELICA
ALLEGANY COUNTY, NEW YORK
\$924,135 Public Improvement (Serial) Bonds, 2010 Series B (Federally Taxable)**

Dear Ms. Herdman:

For the \$924,135 Public Improvement (Serial) Bonds, 2010 Series B (Federally Taxable) of the Village of Angelica, Allegany County, New York, subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay NINE HUNDRED TWENTY-FOUR THOUSAND ONE HUNDRED THIRTY FIVE (\$924,135) Dollars 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 (stated in a multiple of 1/8th or 1/100th of one percent) per annum stated in the following table:

| <u>Year</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Interest Rate</u> |
|-------------|----------------------|-------------|----------------------|-------------|----------------------|
| 2011 | _____ % | 2014 | _____ % | 2017 | _____ % |
| 2012 | _____ % | 2015 | _____ % | 2018 | _____ % |
| 2013 | _____ % | 2016 | _____ % | | |

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 \$924,135 Bonds therein described:

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

Signature of Bidder

Bank/Institution

Telephone () _____

Telefax () _____