

NOTICE OF SALE

\$1,530,000

**CITY OF JOHNSTOWN,
FULTON COUNTY, NEW YORK
(the "City")**

**BOND ANTICIPATION NOTES - 2010
[BOOK-ENTRY-ONLY NOTES]**

Sale Date: August 10, 2010
Time: 10:30 o'clock A.M. (Prevailing Time)
Place of Sale: Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776
Date of Notes: August 19, 2010
Maturity Date: August 19, 2011

Written proposals, telephone bids (telephone number: 631/331-8888) and facsimile transmission (FAX) bids (FAX number: 631/331-8834) will be received at the place and time on the Sale Date as hereinabove indicated, for the purchase at not less than par and accrued interest, if any, of the Notes as hereinabove described.

The timely delivery of all proposals submitted by facsimile transmission in legible and completed form, signed by an authorized representative of the bidder, shall be the sole responsibility of the bidder. The City shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Said Notes are general obligations of the City and the faith and credit of such City are pledged for payment of the principal of and interest on such Notes. All the taxable real property in said City will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on such Notes.

The Notes will not be subject to prior redemption. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser, the Notes will be issued in registered form. If the Notes are issued in registered form, the Notes may be either registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

Note certificates shall be delivered to the purchaser of notes requested in registered form to the purchaser, and each such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

For those Notes issued as book-entry only notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principle amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry-Only System" herein.

CUSIP identification numbers will be printed on the book-entry-only notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date 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 hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the City; 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).

For those Notes issued in registered form, the City will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser. The City's contact information is as follows: Michael C. Gifford, City Treasurer, City of Johnstown, City Hall, 33-41 East Main Street, Johnstown, NY 12095, Phone (518) 736-4017, Fax (518) 736-4066 and email: michael.gifford@cityofjohnstown-ny.com.

Bids must be for all the Notes and must state in a multiple of one-hundredth or one-eighth of 1% a rate or rates of interest per annum which such Notes shall bear. The Notes will be awarded and sold to the bidder(s) complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to the one of said bidders selected by the Sale Officer by lot from among all said bidders.

The right is reserved by the City to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in the event of a partial award, the premium, if any, specified by such bidder will be pro-rated. The right is also reserved to reject any or all bids and any bid not complying with the terms of this notice will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder(s) may not withdraw proposals until two hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal. The Notes will be delivered and shall be paid for on or about the Date of Notes at such place and on such business day and at such hour, as the Sale Officer and successful bidder(s) shall mutually agree.

The successful bidder will be furnished without cost with the approving opinion of the law firm of Nixon & Peabody, LLP to the effect that the Notes are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. Said opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement of the City relating to the Notes, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City which have been or may be furnished or disclosed to purchasers of the Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

The successful bidder may at his option refuse to accept the Notes if prior to their delivery the Tax Compliance Certificate referred to below in form and tenor satisfactory to Bond Counsel is not delivered or, if any income tax law of the United States of America is hereinafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date for federal income tax purposes, and in such case he will be relieved of his contractual obligation arising from the acceptance of his proposal.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income under Section 103 of the Code. As part of the City's contractual obligation arising from its acceptance of the successful bidder's(s) proposal, the City will furnish the successful bidder(s) concurrently with the delivery of the Notes with its Tax Compliance Certificate, (the "Certificate"), which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the City will comply with the provisions and procedures set forth therein, and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is excludable from gross income under Section 103 of the Code.

Under the Code, interest on the Notes is to be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including without limitation, the alternative minimum tax and the foreign branch profits tax. In addition under the Code, an individual who owns the Notes may be required to include in gross income a portion of his or her Social Security or railroad retirement payments and interest on the Notes will be included as disqualified income when computing the earned income credit. Noteholders should consult their tax advisor with respect to the computation of alternative minimum tax or foreign branch profits tax liability, the earned income credit, or the inclusion of Social Security or other retirement payments in gross income.

The opinion of Bond Counsel shall also contain further statements to the effect that, in the opinion of said law firm, assuming the City complies with the provisions and procedures set forth in the Certificate, interest on the Notes is excludable, under existing statutes and court decisions, from the gross income of the recipients thereof for federal income tax purposes pursuant to Section 103 of the Code; that interest on the Notes is not treated as a preference item in calculating alternative minimum taxable income of individuals or corporations; and

under existing statutes, interest on the Notes is exempt from New York State and New York City personal income taxes.

The Notes shall be designated by the City as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

Simultaneously with or before delivery of the Notes, the successful bidder shall furnish to the City a certificate in form satisfactory to Bond Counsel containing information sufficient to enable the City to determine the "issue price" of the Notes as defined in Sections 1273 or 1274 of the Code.

The Official Statement is in a form "deemed final" by the City for the purposes of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), but may be modified or supplemented as noted herein. In order to assist bidders in complying with Rule 15c2-12 and as part of the City's contractual obligation arising from its acceptance of the successful bidder's(s) proposal, at the time of delivery of the Notes the City will provide an executed copy of its "Continuing Disclosure Undertaking." Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Notes, to provide to (i) each nationally recognized municipal securities information repository, or to the Municipal Securities Rulemaking Board, and (ii) to the New York State Information Depository, if created, notice of the occurrence of certain material events, as enumerated in said Rule 15c2-12.

The City will provide a reasonable number of Official Statements to the successful bidder within five (5) business days following receipt of a written request therefor made to the City and its financial advisor. Such request may specify the applicable (a) offering price(s), (b) selling compensation, (c) ratings(s), (d) credit enhancement and (e) identity and complete name of such bidder and any participating underwriters, and if so, the Official Statement will be modified or supplemented by the information so specified. Neither the City nor its financial advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of the successful bidder with respect to such request, nor shall the City's failure, as a result thereof, to provide the Official Statement (whether or not modified or supplemented) within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Notes in accordance with the terms hereof.

The obligations hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the availability to each successful bidder at the time of the delivery of the Notes of said approving opinion; of certificates in form and tenor satisfactory to said law firm evidencing the proper execution and delivery of the Notes and receipt of payment therefor and including a statement, dated as of the date of delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Notes; and of the several certificates as described in the Official Statement under the heading "Documents Accompanying Delivery of the Notes."

Copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888, Website: www.Munistat.com.

Dated: July 28, 2010

MICHAEL C. GIFFORD
City Treasurer and Chief Fiscal Officer

See next page for Proposal for Notes

PROPOSAL FOR NOTES

August 10, 2010

Michael C. Gifford
City Treasurer
City of Johnstown
c/o Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776
Tel.: 631/331-8888
Fax: 631/331-8834
Dated Date: August 19, 2010
Maturity Date: August 19, 2011

Dear Mr. Gifford:

For the \$1,530,000 BOND ANTICIPATION NOTES - 2010 of the CITY OF JOHNSTOWN, FULTON COUNTY, NEW YORK, described in the official Notice of Sale for such note issue, the terms of which are hereby made a part of this bid, we will pay par plus a premium of

_____ Dollars (\$_____) plus accrued interest from the date of the Notes to the date of delivery thereof for notes bearing interest at the rate of _____ per centum (_____) 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 | \$ _____ |
| Less Premium Bid Over Par | \$ _____ |
| Net Interest Cost | \$ _____ |
| Effective Net Interest Rate | _____ % (four decimals) |

Respectfully submitted,

By: _____
Authorized Representative

Please select one of the following (in no option is selected, option one will be assumed to have been selected by the purchaser(s):

- _____ Book-entry-only registered to Cede & Co.
- _____ Registered to purchaser

(No addition or alteration is to be made to the above official bid form)