

## ESCROW CONTRACT

This Escrow Contract, dated as of December 22, 2009 (the "Contract") by and between the Town of East Hampton, Suffolk County, New York, a municipality of the State of New York (the "Town"), and The Bank of New York Mellon, a New York banking corporation duly organized, existing and authorized to accept trusts of the character herein set forth (the "Bank"):

### W I T N E S S E T H:

WHEREAS, the Town heretofore issued, on August 10, 2000, an aggregate principal amount of \$9,340,000 Various Purposes (Serial) Bonds, 2000 Series A, pursuant to a bond certificate of the Supervisor dated August 10, 2000 (the "2000 Series A Bond Certificate"), and the bond resolution adopted by the Town Board identified therein, as more fully described in the 2000 Series A Bond Certificate (the "2000 Series A Bonds") and maturing or matured on August 1 in each of the following years and amounts:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2001	\$425,000	2009	\$635,000
2002	445,000	2010	670,000
2003	465,000	2011	710,000
2004	490,000	2012	750,000
2005	515,000	2013	795,000
2006	540,000	2014	840,000
2007	570,000	2015	890,000
2008	600,000		

and of which amount an aggregate principal amount of \$3,985,000 maturing in each of the years 2011 through 2015, inclusive, are to be refunded by the Refunding Bonds hereafter described (the "2000 Series A Refunded Bonds"); and

WHEREAS, the 2000 Series A Refunded Bonds, are hereinafter referred to as the "Refunded Bonds"; and

WHEREAS, the Town Board of the Town has adopted a Refunding Bond Resolution on March 17, 2009 (the "Refunding Bond Resolution"), authorizing the issuance pursuant to Section 90.10 of the Local Finance Law (constituting Chapter 33-A of the Consolidated Laws of the State of New York) of refunding bonds of the Town (the "Refunding Bonds") for the purpose of refunding the Refunded Bonds; and

WHEREAS, the Refunding Bond Resolution provides that the proceeds from the sale of the Refunding Bonds, together with other moneys required to accomplish such refunding, if any, shall be placed in escrow with an escrow holder and, together with the interest earned from the investment thereof, applied in accordance with the terms and conditions set forth in this Escrow Contract and the Refunding Bond Resolution to pay and redeem the Refunded Bonds as prescribed therein;

WHEREAS, the Refunded Bonds are subject to redemption prior to maturity in accordance with the provisions relating thereto set forth in the Refunded Bonds; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The Town hereby appoints the Bank as escrow holder hereunder (the "Escrow Holder") and the Bank hereby accepts the appointment as Escrow Holder.

2. Receipt is hereby acknowledged by the Escrow Holder of a certified copy of the Refunding Bond Resolution and of the verification report of Causey Demgen & Moore, Inc., dated December 22, 2009 (the "Verification Report"). Reference herein to, or citation herein of, any provision of the Refunding Bond Resolution or the Verification Report shall be deemed to be incorporated as a part hereof in the same manner and with the same effect as if it were fully set forth herein.

3. There is hereby created and established with the Escrow Holder a special, segregated and irrevocable trust fund designated the Town of East Hampton Escrow Deposit Fund (2009 Series B Refunding Bonds) (the "Escrow Deposit Fund") to be held in the custody of the Escrow Holder.

4. There is hereby created and established with the Escrow Holder a special, segregated and irrevocable trust fund designated Town of East Hampton Cost of Issuance Expense Fund (2009 Series B Refunding Bonds) (the "Expense Fund") to be held in the custody of the Escrow Holder.

5. Concurrently with the execution of this Contract, the Town shall cause to be deposited with the Escrow Holder in the Expense Fund moneys in the amount of \$60,606.43 being a part of the proceeds from the sale of the Refunding Bonds. The moneys in the Expense Fund shall be applied by the Escrow Holder for the payment of the costs and expenses incidental to the issuance of the Refunding Bonds, including the cost of developing the Refunding Financial Plan referred to in the Refunding Bond Resolution, and the amount due the Escrow Holder pursuant to paragraph 12 hereof, provided that any such payment by the Escrow Holder shall be made only in accordance with the written authorization of the Town's Deputy Supervisor (the "Deputy Supervisor") authorizing and approving the same. Upon receipt by the Bank of a certificate signed by the Deputy Supervisor that all such costs and expenses have been paid or otherwise satisfied, or in any event not more than sixty (60) days from the date of this Contract, any amount remaining in the Expense Fund shall be returned by the Escrow Holder to the Town to be applied by the Town to the payment of the first debt service on the Refunding Bonds. In no event shall the Escrow Holder be entitled to a lien on any money or the principal or interest on any investments in the Expense Fund or the Escrow Deposit Fund.

6. Concurrently with the execution of this Contract, the Town shall cause to be deposited with the Escrow Holder in the Escrow Deposit Fund moneys in the amount of

\$4,185,612.04, being the total of the balance remaining from the proceeds, exclusive of accrued interest, if any, of the Refunding Bonds after making the deposit in the Expense Fund specified in paragraph 5 hereof. Of the amount so deposited in the Escrow Deposit Fund, \$0.04 shall be held uninvested and \$4,185,612.00 shall immediately be invested as set forth on Schedule A (titled "Escrow Deposit Fund Investment") attached hereto and made a part hereof, by the Escrow Holder through the purchase of Government Obligations (as hereinafter defined), the principal of which, together with the interest to be paid thereon, and cash remaining on deposit in the Escrow Deposit Fund, if any, will be sufficient to pay, as of the date of calculation, and will mature and be available to pay in a timely manner, the principal of, interest on, and redemption premium payable with respect to, the Refunded Bonds as the same shall become due and payable, as set forth on Schedule B attached hereto, (the "Escrow Requirement"). It is not anticipated that any moneys in the Escrow Deposit Fund will be reinvested after maturity of the initial investments in the Escrow Deposit Fund. Nonetheless, if for any reason moneys are not received, invested and applied as described in Schedule A, the Escrow Holder shall immediately contact the Town and, on that same date, the Town shall provide the Escrow Holder guidance in writing, which may include guidance regarding an alternative investment in Government Obligations. "Government Obligations" shall mean direct obligations of the United States of America, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which shall not be callable at the option of the issuer thereof. All Government Obligations will be acquired in good faith and at market value, without notice of any adverse claim. Each uncertificated Government Obligation shall be recorded on the records of the Federal Reserve Bank of New York in the name of the Escrow Holder (or its nominee) acting as a financial intermediary within the meaning of Section 8-313(4) of the Uniform Commercial

Code of New York and shall be confirmed to the Escrow Holder by the Federal Reserve Bank of New York and identified on the records of the Escrow Holder, on the day of purchase, as being held for the benefit of the Town for the owners of the Refunded Bonds.

7. The Escrow Holder hereby establishes the Escrow Deposit Fund and Expense Fund and acknowledges receipt of the deposit of the moneys therein as set forth in paragraphs 5 and 6 hereof. The aggregate amount to be deposited with the Escrow Holder, \$4,246,218.47, shall be deposited via two wire transfers, in the amounts of \$85,200.00, from the Town of East Hampton, and \$4,161,018.47, from Robert W. Baird & Co., Incorporated.

8. The deposit by the Town of the moneys in the Escrow Deposit Fund shall constitute an irrevocable deposit thereof for the uses and purposes specified in this Contract and in the Refunding Bond Resolution, and such moneys and Government Obligations shall be held in trust and applied solely for such uses and purposes, unless contrary instructions are received in writing from the Deputy Supervisor. To the fullest extent permitted by law and in accordance with Section 90.10 of the Local Finance law, the owners of the Refunded Bonds shall have an express lien on all money and the principal of and interest on all investments held in the Escrow Deposit Fund until paid out, used and applied as provided in this Contract for payment of all outstanding principal of, applicable redemption premium, if any, and interest on the Refunded Bonds.

9. (a) Except as otherwise expressly provided in paragraph 6 and this subparagraph (a), the Escrow Holder shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; provided, however, that at the written direction of the Deputy Supervisor and upon compliance with the conditions hereinafter stated, the Escrow Holder shall

have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Government Obligations acquired hereunder and to substitute therefor other Government Obligations. The Escrow Holder shall purchase such substituted Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Government Obligations and moneys provided by the Town for such purpose. The substitution of Government Obligations described above may be effected only if (i) the Escrow Holder shall have received, at the expense of the Town, a verification report prepared by an independent certified public accountant or firm of independent certified public accountants designated by the Deputy Supervisor (on which verification the Escrow Holder may conclusively rely) confirming that the moneys and Government Obligations on deposit immediately after such substitution will be sufficient to meet or exceed the Escrow Requirement, (ii) the Escrow Holder shall have received an unqualified opinion of Fulbright & Jaworski L.L.P. to the effect that the substitution will not cause any of the Refunding Bonds to be an "arbitrage bond" as hereinafter defined, and (iii) the Escrow Holder shall receive a schedule showing details of such substitution.

(b) The liability of the Escrow Holder for the payment of the principal of, interest on, and redemption premium payable with respect to, the Refunded Bonds as set forth in Schedule B, shall be limited to the principal of and interest on the Government Obligations and cash available for such purposes in the Escrow Deposit Fund.

(c) The Town hereby covenants that no part of the moneys or funds at any time in the Expense Fund or Escrow Deposit Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Refunding Bond to be an "arbitrage bond" as defined in Sections 141-150 of the Internal Revenue Code of 1986, and the regulations of the United States Treasury Department promulgated thereunder, as then in effect.

10. The Escrow Holder shall collect the matured principal of and payments of interest on the Government Obligations as the same become due and payable and deposit the same in the Escrow Deposit Fund, as applicable. Not later than the date on which any payment of principal and interest on any of the Refunded Bonds is required to be made, as set forth in Schedule B, the Escrow Holder shall, to the extent available, transmit, from the funds in the Escrow Deposit Fund, as applicable, to:

JP Morgan Chase Bank, N.A.  
55 Water Street  
New York, NY 10041  
ABA # 021-0000-21  
For Credit of A/C Depository Trust Company  
Redemption Account 066-027-306

or as otherwise designated in writing by the Town, an amount sufficient to pay such payment, with respect thereto.

11. The Town hereby irrevocably instructs the Escrow Holder to mail to the registered owners of the Refunded Bonds, as shown upon the registration books of the Town maintained by the fiscal agent of the Refunded Bonds, not more than sixty (60) days nor less than thirty (30) days prior to the August 1, 2010 date set for the redemption of the Refunded Bonds to be called for early redemption, written notice that on such redemption date there shall become due and payable with respect to each Refunded Bond to be redeemed the principal amount thereof, together with interest accrued to the redemption date, there being no redemption premium payable with respect thereto, and that from and after such redemption date interest thereon shall cease to accrue and be payable and interest maturing subsequent to the redemption date shall be void. In addition, such notice also shall be given as provided in Securities and Exchange Commission Release No. 34-23856, as the same may be amended, supplemented or superseded, from time to time. The Escrow Holder shall cause such notice to be prepared with respect to the Refunded Bonds in substantially the form set

forth as Schedule C attached hereto. In addition, such notice shall be sent by the Escrow Holder by registered or certified mail or overnight mail to The Depository Trust Company, Municipal Reorganization Manager, Call Notification Department, 55 Water Street, New York, NY 10041-0099, Fax No. (212) 855-5003 (the "Registered Securities Depository"). Such notice shall also be given by mail not less than thirty (30) days prior to the applicable redemption dates to the nationally recognized municipal securities information repositories. This Contract shall constitute irrevocable instructions and directions by the Town to the Escrow Holder to cause to be provided notice of redemption of the Bonds as provided above. The Escrow Holder by the execution of this Escrow Contract hereby acknowledges receipt from the Town of the instructions and directions herein to cause to be provided notice of said redemption of the Bonds set forth in Schedule C and hereby agrees to provide such notice of redemption.

12. (a) The Town agrees to pay and shall pay to the Escrow Holder from the Expense Fund the sum of \$1,000 as compensation in full for all services to be rendered by the Escrow Holder under this Contract (the "Escrow Holder Fee"). The Escrow Holder shall have no lien or right of set-off whatsoever upon any of the moneys or Government Obligations in the Escrow Deposit Fund for such payment. In no event shall the Town be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Holder as set forth in this paragraph.

(b) The Escrow Holder shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Holder shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Contract. The Escrow Holder shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Government Obligations and the earnings



thereon to pay the Refunded Bonds. So long as the Escrow Holder applies any moneys, the Government Obligations and the interest earnings therefrom to pay the Refunded Bonds or as otherwise provided herein, and complies fully with the terms of this Contract, the Escrow Holder shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

(c) The Escrow Holder and its affiliates may become the owner of or may deal in Refunded Bonds, as fully and with the same rights as if it were not the Escrow Holder.

(d) The Town agrees to indemnify and save the Escrow Holder harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct. The provisions of this paragraph 15 still survive the termination of this Contract or the removal or resignation of the Escrow Holder for any reason.

(e) The Escrow Holder undertakes to perform only such duties as are expressly set forth herein. The duties and responsibilities of the Escrow Holder hereunder shall be determined solely by the express provisions of this Contract, and no further duties or responsibilities shall be implied. The Escrow Holder shall not have any liability under, nor duty to inquire into the terms and provisions of any agreement or instructions, other than as outlined in this Contract. The Escrow Holder may rely and shall be protected in acting or refraining from acting upon any written notice, certificate, opinion, instruction, request or other written documentation furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Holder shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document. In the administration of this Contract and the Escrow Deposit Fund and the Expense Fund hereunder, the Escrow Holder may execute any of its powers and perform its duties

hereunder directly or through agents or attorneys and may, consult with counsel, accountants and other skilled persons to be selected and retained by it. The Escrow Holder shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

13. The Escrow Holder agrees to maintain books and records for the Expense Fund and the Escrow Deposit Fund and to account separately for deposits therein, investments thereof, earnings thereon and losses (if any) with respect thereto. To the extent not previously reported to the Town, not later than August 15, 2010, the Escrow Holder shall deliver to the Town a report setting forth the status of such funds as of the close of business on August 1, 2010.

14. The Escrow Holder may be removed with or without cause at any time by the Deputy Supervisor in writing and the Escrow Holder may resign by giving sixty (60) days written notice to the Deputy Supervisor, but no such removal or resignation shall take effect under this Contract unless a successor Escrow Holder shall have been appointed by the Deputy Supervisor as hereinafter provided and such successor Escrow Holder shall have accepted such appointment, in which event such removal or resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Holder. In the event that no appointment of a successor Escrow Holder shall have been made by the Deputy Supervisor pursuant to the foregoing provisions of this Section within forty-five (45) days after written notice of the removal by the Deputy Supervisor or of the resignation of the Escrow Holder has been given to the Deputy Supervisor, any retiring Escrow Holder may apply, at the Town's expense, to any court of competent jurisdiction for the appointment of a successor Escrow Holder, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Holder. No successor Escrow Holder shall be appointed unless such successor Escrow Holder shall be a corporation or association with trust

powers organized under the banking laws of the United States or the State of New York, shall have at the time of appointment capital, surplus and undivided profits of not less than \$50,000,000 and shall agree to accept as compensation in full for all services to be rendered by the Escrow Holder under this Contract the unearned or unrealized portion of the Escrow Holder Fee initially paid from the Expense Fund, as hereinafter provided, or such higher amount as the Deputy Supervisor may approve. Every successor Escrow Holder appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Deputy Supervisor, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Holder without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Holder or the Deputy Supervisor execute and deliver an instrument transferring to such successor Escrow Holder all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every resigning or removed Escrow Holder shall deliver all cash and Government Obligations held by it to its successor. Should any transfer, assignment or instrument in writing from the Deputy Supervisor be required by any successor Escrow Holder for more fully and certainly vesting in such successor Escrow Holder the estates, rights, powers and duties hereby vested or intended to be vested in the resigning or removed Escrow Holder, any such transfer, assignment and instrument in writing shall, on request, be executed, acknowledged and delivered by the Deputy Supervisor. Any corporation or association into which the Escrow Holder, or any successor to it in the trusts created by this Escrow Contract, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation or association resulting from any merger, conversion, consolidation or reorganization to which the Escrow Holder or any successor to it shall be a party or any corporation or association to which the Escrow Holder shall

sell or otherwise transfer its corporate trust as a whole or substantially as a whole shall, if approved in writing by the Deputy Supervisor, be the successor Escrow Holder under this Escrow Contract without the execution or filing of any paper or any act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. Except as provided in Paragraph 15 hereof, this Contract shall terminate when there shall have been paid to the paying agent for the Refunded Bonds, in accordance with the provisions hereof, moneys sufficient to pay all principal of, interest on, and redemption premium payable with respect to, all of the Refunded Bonds as set forth in Schedule B hereto, and any remaining moneys and Government Obligations together with any interest thereon, in the Escrow Deposit Fund shall thereupon be transferred to the Town.

16. If any one or more of the covenants or agreements provided in this Contract on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Contract.

17. This Contract may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument.

18. This Contract shall be governed by the applicable law of the State of New York.

19. All notices, demands and formal actions under this Contract shall be in writing and mailed, telegraphed or delivered to:

The Town:	Town of East Hampton 159 Pantigo Road East Hampton, New York 11937 Attention: Deputy Supervisor
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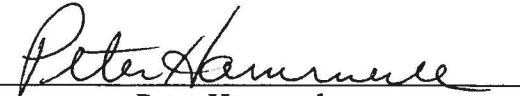
The Escrow Holder:	The Bank of New York Mellon
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101 Barclay Street, 7W  
New York, New York 10286  
Attention: Nicole Pinero

20. The Escrow Holder shall have the right to accept and act upon instructions or directions pursuant to this Contract sent by an unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Town by an authorized representative of the Town, who shall provide to the Escrow Holder an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Town elects to give the Escrow Holder e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Holder in its discretion elects to act upon such instructions, The Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Holder shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Town agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Holder acting on unauthorized instructions, and the risk of interception and misuse by third parties.

IN WITNESS WHEREOF, the parties hereto have each caused this Contract to be executed  
by their duly authorized officers, as of the date first above written.

**TOWN OF EAST HAMPTON,  
SUFFOLK COUNTY, NEW YORK**

By:   
Peter Hammerle  
Deputy Supervisor

**THE BANK OF NEW YORK MELLON  
as Escrow Holder**

By: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have each caused this Contract to be executed  
by their duly authorized officers, as of the date first above written.

**TOWN OF EAST HAMPTON,  
SUFFOLK COUNTY, NEW YORK**

By: \_\_\_\_\_  
Peter Hammerle  
Deputy Supervisor

**THE BANK OF NEW YORK MELLON  
as Escrow Holder**

By: \_\_\_\_\_ 

Schedule A	Escrow Deposit Fund Investments
Schedule B	Payment Schedule for the Refunded Bonds
Schedule C	Form of Redemption Notice for the Refunded Bonds



Schedule A  
Town of East Hampton,  
Suffolk County, New York  
Refunding (Serial) Bonds, 2009  
Escrow Deposit Fund Investments

[Attach list of Investments]

## Town of East Hampton, New York

\$3,955,000 Refunding Serial Bonds, 2009 Series B

### Escrow Summary Cost

Maturity	Type	Coupon	Yield	Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
<b>Escrow</b>								
02/01/2010	SLGS-CI	0.070%	0.070%	100-.000000	102,289	102,289.00	-	102,289.00
08/01/2010	SLGS-CI	0.160%	0.160%	100-.000000	4,083,323	4,083,323.00	-	4,083,323.00
<b>Subtotal</b>		-	-	-	<b>\$4,185,612</b>	<b>\$4,185,612.00</b>	-	<b>\$4,185,612.00</b>
<b>Total</b>		-	-	-	<b>\$4,185,612</b>	<b>\$4,185,612.00</b>	-	<b>\$4,185,612.00</b>

#### Escrow

Cash Deposit	0.04
Cost of Investments Purchased with Bond Proceeds	4,185,612.00
Total Cost of Investments	\$4,185,612.04

Delivery Date 12/22/2009

Schedule B

PAYMENT SCHEDULE  
FOR THE REFUNDED BONDS

Town of East Hampton, Suffolk County, New York  
Various Purposes (Serial) Bonds, 2000 Series A

original principal amount:	\$9,340,000
outstanding principal amount:	\$4,655,000
interest payable:	February 1 and August 1
principal amount to be refunded:	\$3,985,000
maturities to be refunded:	2011-2015, inclusive

DEBT SERVICE

<u>Date</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Total</u>
February 1, 2010	\$102,296.88	-0-	\$ 102,296.88
August 1, 2010	\$102,296.88	\$3,985,000.00	\$4,087,296.88

## Schedule C

### Form of Redemption Notice for Refunded Bonds

Town of East Hampton, Suffolk County, New York

#### NOTICE OF REDEMPTION

To the Holders of  
Various Purposes (Serial) Bonds, 2000 Series A  
dated August 10, 2000  
of the Town of East Hampton,  
Suffolk County, New York

NOTICE IS HEREBY GIVEN pursuant to a Refunding Bond Resolution duly adopted by the Town Board of the Town of East Hampton, Suffolk County, New York (the "Town") on March 17, 2009, that the Town has elected to call in and redeem on August 1, 2010 (the "Redemption Date") the outstanding \$3,985,000 aggregate principal amount of its Various Purposes (Serial) Bonds, 2000 Series A dated August 10, 2000, and maturing August 1 in each of the years 2011 to 2015, inclusive (the "Bonds"), at par plus accrued interest to the Redemption Date, there being no redemption premium.

NOTICE IS HEREBY FURTHER GIVEN that interest on the Bonds shall cease to be paid after the Redemption Date and interest maturing subsequent to the Redemption Date shall be void. The Bonds are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Numbers</u>
August 1, 2011	\$710,000	5.00%	272731 SD3
August 1, 2012	750,000	5.00%	272731 SE1
August 1, 2013	795,000	5.125%	272731 SF8
August 1, 2014	840,000	5.20%	272731 SG6
August 1, 2015	890,000	5.30%	272731 SH4

Under the provisions of the Jobs and Growth Tax Reconciliation Act of 2003, paying agents making payments of interest or principal on municipal securities may be obligated to withhold a 28% tax from remittance to individuals who have failed to furnish the paying agent with a valid taxpayer identification number. Owners of the Bonds who wish to avoid the imposition of the tax should submit certified taxpayer identification numbers when presenting the Bonds for payment.

Neither the Town nor the paying agent shall be responsible for the selection or use of the CUSIP identification numbers printed herein or on the Bonds nor is any representation made as to the correctness of any CUSIP identification number shown herein or printed on the Bonds. Said CUSIP identification numbers are included solely for the convenience of the holders.

Dated: \_\_\_\_\_, 2010

TOWN OF EAST HAMPTON,  
SUFFOLK COUNTY, NEW YORK

By: The Bank of New York Mellon  
as Escrow Holder