

NOTICE OF SALE

**VILLAGE OF ALFRED
ALLEGANY COUNTY, NEW YORK
(the "Village")**

**\$800,000 BOND ANTICIPATION NOTES, 2011
(the "Notes")**

LEGAL OPINION: Hodgson Russ LLP, Buffalo, New York
John A. Alessi, Esq., telephone: 716-848-1567, fax: 716-819-4660

RENEWALS: \$800,000

CALLABLE: On or after February 24, 2012, with twenty (20) days prior written notice to the registered owner.

BANK DESIGNATED/QUALIFIED

DISCLOSURE INFORMATION: Please refer to our website: www.municipalsolution.com to view a summary of financial information. If you require additional information, please contact our Canandaigua Office at 585-394-4090.

DATE OF ISSUANCE/MATURITY: August 24, 2011 (Wednesday) – August 23, 2012 (Thursday), subject to the possibility of early redemption on or after February 24, 2012, upon twenty (20) days prior written notice to the registered owner.

DAYS OUTSTANDING: 359 days

SALE DATE & TIME: August 10, 2011 (Wednesday) at 11:00 a.m. EST – Canandaigua, NY

CLOSING DATE & TIME: August 24, 2011 (Wednesday) by 11:00 a.m. EST

PURPOSE: To renew a bond anticipation note of the Village of a like principal amount heretofore issued to finance the reconstruction of and construction of improvements to the Village sewer system pursuant to a bond resolution adopted by the Village on December 9, 2008. The Village has received a Letter of Conditions from the United States Department of Agriculture Rural Development ("USDA RD") notifying the Village that the USDA RD will purchase the Village's long-term bonds upon substantial completion of the sewer improvements project. The Letter of Conditions, dated December 21, 2009, approved a Rural Utilities Services loan in the amount of \$797,000. The term of the USDA RD loan will be for a period not to exceed 38 years at an interest rate not to exceed 3.25%. These financing opportunities are contingent upon satisfaction of the terms and conditions contained in the letter of commitment. A copy of such

commitment letter is available from the offices of Municipal Solutions, Inc. upon request.

SECURITY AND
SOURCE OF PAYMENT:

The Notes are general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Village has the power and statutory authorization to levy *ad valorem* taxes on all the taxable real property in the Village, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York).

Each bid must be for all of the Notes and must state a single rate of interest therefor in a multiple of one-eighth (1/8th) or one-hundredth (1/100th) of one per centum (1%) per annum. Unless all bids are rejected, the Notes will be awarded to the bidder offering to purchase the Notes at 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. For purposes of evaluating bids received, net interest cost will be calculated on the assumption that the Notes will be held to maturity. In any event, the award of the Notes will be made on the basis of the bid offering to purchase the Notes on terms most favorable to the Village. The right is reserved to reject all bids, and any bid not complying with this Notice of Sale will be rejected. Interest will be computed on the basis of 30 days to the month and 360 days to the year.

PAYMENT TO BE MADE IN FEDERAL FUNDS. THE PURCHASER SHALL HAVE THE OPTION OF HAVING THE NOTES ISSUED AS PHYSICAL CERTIFICATES OR IN THE FORM OF BOOK-ENTRY-ONLY NOTES REGISTERED IN THE NAME OF CEDE & CO., AS NOMINEE FOR THE DEPOSITORY TRUST COMPANY [DTC]. THE NOTES WILL BE ISSUED IN REGISTERED FORM IN DENOMINATIONS OF \$5,000, OR INTEGRAL MULTIPLES THEREOF, AS MAY BE DETERMINED BY SUCH PURCHASER.

MUNICIPAL SOLUTIONS, INC.
2528 State Route 21
Canandaigua, New York 14424
Phone: 585-394-4090
Fax: 585-394-4092
www.municipalsolution.com

**PROPOSAL FOR \$800,000 BOND ANTICIPATION NOTES, 2011
Village of Alfred, Allegany County, New York**

Kathryn L. Koegel, Treasurer
Village of Alfred, Allegany County, New York
c/o Municipal Solutions, Inc.
2528 State Route 21
Canandaigua, New York 14424
Telephone: 585-394-4090
Fax: 585-394-4092

Sale Date: August 10, 2011
11:00 A.M., Prevailing Time

Dated: August 24, 2011

Maturity Date: August 23, 2012

Dear Ms. Koegel:

For the **\$800,000 Bond Anticipation Notes, 2011 (the "Notes") of the Village of Alfred, Allegany County, New York**, dated August 24, 2011 and due August 23, 2012, with the option of redemption on or after February 24, 2012, upon twenty (20) days prior written notice to the registered owner, as described in the annexed Notice of Sale which is hereby made a part of this bid, we will pay \$800,000 and a premium of \$_____ at the rate of _____% per annum expressed in a multiple of one-eighth or one-hundredth of one per centum.

The following is our computation of the net interest cost, made as provided in the above-mentioned Notice of Sale, and is not a part of the foregoing proposal for the purchase of the Notes.

Gross Interest Cost	\$ _____
Less Premium Bid Over Par	\$ _____
Net Interest Cost	\$ _____
Effective Net Interest Cost Rate	_____ % (Four Decimals)

Please Specify Form of Note:

Book-Entry / DTC _____

or

"Local" Closing _____

Signature

Name of Financial Institution

Address

Telephone

Fax No.

E-mail Address