

**NOTICE OF SALE**

**CITY OF AMSTERDAM  
MONTGOMERY COUNTY, NEW YORK**

**\$3,670,000 BOND ANTICIPATION NOTES, 2011B**

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**LEGAL OPINION:** Fulbright & Jaworski L.L.P., New York, New York  
Randolph J. Mayer, Esq. / Telephone: 212-318-3383 / Fax: 212-318-3400

**NEW ISSUE:** \$3,670,000

**NON-CALLABLE**

**BANK DESIGNATED & QUALIFIED**

**DISCLOSURE INFORMATION:** Please refer to our website: [www.municipalsolution.com](http://www.municipalsolution.com) to view a summary of financial information. A copy of the City's Official Statement dated July 27, 2011, produced as part of the City's 2011, \$11,355,000 BAN offering is attached for information only. The Official Statement has not been reviewed or updated since July 27, 2011. If you require additional information, please contact our Canandaigua Office at 585-394-4090.

**INVESTMENT INTENT:** The City has not prepared an Official Statement in connection with the issuance of the Notes. The Purchaser will be asked to execute a certificate in the form attached as Exhibit A hereto.

**DATE OF ISSUANCE & MATURITY:** December 1, 2011 (Thursday) to August 9, 2012 (Thursday)

**DAYS OUTSTANDING:** 248

**SALE DATE & TIME:** November 16, 2011 (Wednesday) at 11:30 a.m. - Canandaigua, New York

**CLOSING DATE & TIME:** December 1, 2011 (Thursday) by 11:00 a.m.

**PURPOSE:** Pursuant to a bond resolution adopted by the Common Council on October 18, 2011, authorizing the issuance of \$3,670,000 serial bonds for the following projects: improvements to the Market Hill water system (\$670,000) and improvements to various storm drainage, park reconstruction, sewer and waste water treatment facility improvements and various infrastructure work (\$3,000,000).

**SECURITY AND  
SOURCE OF PAYMENT:** The Notes are general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the City has the power and statutory authorization to levy *ad valorem* taxes on all the taxable real property in the City, (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. 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 City. The Issuer reserves the right to reject all bids, and any bid that does not comply with this Notice of Sale in all material respects 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 \$100,000, OR GREATER, 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](http://www.municipalsolution.com)

**PROPOSAL FOR \$3,670,000 BOND ANTICIPATION NOTES, 2011B**  
**City of Amsterdam, Montgomery County, New York**

Heather E. Reynicke, Controller  
City of Amsterdam  
Montgomery 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: November 16, 2011  
11:30 A.M., Prevailing Time

**Dated: December 1, 2011**

**Maturity Date: August 9, 2012**

Dear Ms. Reynicke:

For the **\$3,670,000 Bond Anticipation Notes, 2011B (the "Notes") of the City of Amsterdam, Montgomery County, New York**, dated December 1, 2011 and due August 9, 2012, as described in the annexed Notice of Sale which is hereby made a part of this bid, we offer to pay \$3,670,000 and a premium of \$\_\_\_\_\_ ; the Notes to bear interest at the rate of \_\_\_\_\_% per annum expressed in a multiple of one-eighth or one-hundredth of one per centum payable at maturity.

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 ..... | _____ %<br>Four Decimals |

Please Specify Form of Notes:

Book-Entry / DTC \_\_\_\_\_

or

"Local" Close \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Bidder

\_\_\_\_\_  
Address of Bidder

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Fax No

\_\_\_\_\_  
E-Mail Address

EXHIBIT A TO NOTICE OF SALE  
[FORM OF INVESTMENT CERTIFICATE]

December 1, 2011

City of Amsterdam, Montgomery County, New York

This letter is being delivered by \_\_\_\_\_ (the “Purchaser”), in connection with the purchase of the \$3,670,000 Bond Anticipation Note, 2011B (the “Note”) issued by the City of Amsterdam, Montgomery County, New York (the Issuer”).

1. No Official Statement. The Purchaser has not been furnished with an official statement of the Issuer, as none has been prepared in connection with the issuance of the Note. The Purchaser understands the risks of, and other considerations relating to, the purchase of the Note and has made such investigation and analysis of the Issuer as it has determined appropriate to support its decision to purchase the Note.
2. Access to Information. The Purchaser has been provided an opportunity to ask questions of the Issuer regarding the terms and conditions of the offering of the Note, and the Purchaser has obtained all additional information requested by it in connection with the offering of the Note.
3. Evaluation of Risks. The Purchaser has such knowledge and experience in financial affairs that it is capable of evaluating the merits and risks of purchasing the Note. The Purchaser’s financial situation is such that, as a substantial commercial institution, it can afford to suffer the complete loss of its investment in the Note.
4. Purchase for Investment. The Purchaser (i) is capable of evaluating the risks of investment in the Note by virtue of experience in the business of purchasing investments similar to the Note, (ii) has conducted such diligent inquiry into such financial and other information relating to the Issuer as such bidder deems prudent, and (iii) is purchasing the Note for investment and not for resale. The Note, if resold because of a change in circumstances of the Purchaser, will be resold in accordance with Municipal Securities Rule Board rules and any other securities laws or regulations to which the Purchaser is subject.
5. Issue Price. The Purchaser is purchasing the Note for its own account at a purchase price of \$\_\_\_\_\_. The Purchaser has no present intention to resell or otherwise dispose of the Note or any part thereof. The Purchaser understands that the statements made in this paragraph will be relied upon by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, and by Fulbright & Jaworski L.L.P. in rendering its opinion, with respect to the exclusion from gross income for federal income tax purposes of interest on the Note.

\_\_\_\_\_, as Purchaser

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_