

\$1,600,000

CITY OF CORNING
STEUBEN COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2012 SERIES B

NOTICE OF BOND SALE

Sealed proposals will be received and considered by the undersigned Director of Finance of the City of Corning, Steuben County, New York, at the Office of Municipal Solutions Inc., 2528 State Route 21, Canandaigua, New York 14424, until 11:30 o'clock A.M., Prevailing Time, on the 15th day of February, 2012, via iPreo's Parity Electronic Bid Submission System ("Parity") or by facsimile transmission at (585) 394-4092, at which time and place the bids will be opened, for the purchase IN FEDERAL FUNDS at not less than par and accrued interest of

\$1,600,000 Public Improvement (Serial) Bonds, 2012 Series B, of said City, dated February 15, 2012, and maturing in annual principal installments which, together with interest thereon, are expected to provide for substantially level or declining annual debt service on such bonds, as defined and described in paragraph d of Section 21.00 of the New York Local Finance Law, as follows: \$10,000 on February 15, 2013, \$40,000 on February 15 in each of the years 2014 and 2015, \$45,000 on February 15 in each of the years 2016 to 2018, both inclusive, \$50,000 on February 15 in each of the years 2019 to 2021, both inclusive, \$55,000 on February 15, 2022, \$60,000 on February 15 in each of the years 2023 and 2024, \$65,000 on February 15 in each of the years 2025 and 2026, \$70,000 on February 15 in each of the years 2027 and 2028, \$75,000 on February 15 in each of the years 2029 and 2030, \$80,000 on February 15, 2031, \$85,000 on February 15 in each of the years 2032 and 2033, \$90,000 on February 15, 2034, \$95,000 on February 15 in each of the years 2035 and 2036, and \$100,000 on February 15, 2037, with interest thereon payable on August 15, 2012 and semi-annually thereafter on February 15 and August 15.

The bonds will initially be issued and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the bonds. Ownership interest in the bonds will be transferred pursuant to the "Book-Entry-Only System" of DTC, as described in the Official Statement prepared by the City with respect to the bonds. Principal, upon presentation and surrender of the bonds, and interest on the bonds will be payable by check or draft mailed by the Fiscal Agent to DTC, or to its nominee, Cede & Co., as the registered owner of the bonds. Principal and interest will be payable in lawful money of the United States of America. Bonds will be fully registered and will be valid and legally binding general obligations of said City, all the taxable real property within which will be subject to the levy of ad valorem taxes to pay said bonds and interest thereon, subject to applicable statutory limitations. The bonds may not be converted into coupon bonds or be registered to bearer.

The bonds maturing on or before February 15, 2020 will not be subject to redemption, in whole or in part, prior to maturity. The bonds maturing on or after February 15, 2021 will be subject to redemption prior to maturity, at the option of the City, on February 15, 2020 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at par (100%) plus accrued interest to the date of redemption.

If less than all of the bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the Director of Finance. Notice of such call for redemption shall be given by transmitting such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The State Constitution requires the City 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 such bonds. The State 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 City, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes; also that the fiscal officer of the City may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Each bid must be for all of said \$1,600,000 serial bonds and state a single rate of interest or different rates of interest for bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for bonds of the same maturity, (ii) the maximum difference between the highest and lowest rate of interest bid for the bonds may not exceed three per centum 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 per centum per annum. Unless all bids are rejected, the award will be made 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; provided, however, that the City reserves the right, in its sole discretion, after selecting the low bidder, to adjust the aforesaid maturity installments to the extent necessary to meet the requirements of substantially level or declining debt service. Any such adjustment by the City shall be conclusive and shall be binding upon the successful bidder. If two or more such bidders offer to purchase the bonds at the same net interest cost, computed as described above, the bonds will be awarded to the bidder whose bid offers to purchase the bonds at the highest premium dollar amount. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale, except as provided above, will be rejected.

Sealed proposals may be submitted electronically via iPreo's Parity Electronic Bid Submission System ("Parity") or via facsimile transmission at (585) 394-4092, in accordance

with this Notice of Sale, until the time specified herein. No other form of electronic bidding services nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Bidders submitting proposals via facsimile must use the "Proposal for Bonds" form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the City, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided.

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds is submitted for an on behalf of such prospective bidder by an offer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Each prospective bidder who wishes to submit electronic bids shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the City nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The City is using Parity as a communications mechanism, and not as the City's agent, to conduct the electronic bidding for the City's Bonds. The City is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Bonds, it should telephone Parity and notify the City's financial advisor, Municipal Solutions, Inc. at (585) 394-4090 (provided that the City shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, the provisions of this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Each bid must be enclosed in a sealed envelope addressed to the undersigned Director of Finance of the City, and should be marked on the outside "Proposal for Bonds". A good faith deposit (the "Deposit") in the form of a certified or cashier's check, or a wire transfer, in the amount of \$8,000, payable to the order of the City of Corning, Steuben County, New York is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire transfer is used, it must be sent to the account so designated by the City for such purpose, not later than 10:00 A.M. on the date of the sale and the wire reference number must be provided on the "Proposal For Bonds" when the bid is submitted. Bidders are instructed to contact Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424 (Tel. No.: 585-394-4090), (Fax No.: 585-394-4092), the City's financial advisor, no later than 24 hours prior to the bid opening to obtain the City's wire instructions. No interest will be allowed to accrue on the

amount of the good faith deposit. Said bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the City Law and the Local Finance Law, and are issued for the Centerway Bride Project in the Corning Intown Business District.

THE CITY RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN ONE HOUR PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF SALE TO BE TRANSMITTED OVER TM3.

If the bonds qualify for 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 said bonds in accordance with the terms of the purchase contract.

In the event that prior to the delivery of the bonds, the income received by owners thereof from bonds of the same type and character becomes includable in the gross income of such owners for Federal income tax purposes, the successful bidder may, at his election, be relieved of his obligations under the contract to purchase the bonds, and in such case, the deposit accompanying his bid will be returned.

The purchase price of the bonds, in accordance with the purchaser's bid, shall be paid IN FEDERAL FUNDS or other funds available for immediate credit on the day of delivery, in an amount equal to the par amount of such bonds, plus the premium, if any, plus accrued interest from the date of such bonds until said day of delivery, less the amount of the good faith deposit submitted with the bid. The closing on said bonds will take place at the offices of Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, New York, New York, on or about February 29, 2012.

CUSIP identification numbers will be printed on said bonds if the purchaser provides Bond Counsel with such numbers by telefax or any other mode of written communication (verbal advice will not be accepted) by 3:00 o'clock P.M. 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 said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; 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.

The bonds will be available for inspection by the purchaser at DTC, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time.

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 Director of Finance certifying that (a) as of the date of the Official Statement furnished by the City in relation to said bonds (which Official Statement is deemed by the City to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allowable under said Rule), said Official Statement did not contain any untrue statements of a 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 said Official Statement obtained from sources other than the City is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to her knowledge, since the date of said Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the City and no material adverse changes in the general affairs of the City or in its financial condition as shown in said Official Statement other than as disclosed in or contemplated by said Official Statement; (ii) a Closing Certificate, constituting receipt for the bond proceeds 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; (iii) an arbitrage certificate executed on behalf of the City which includes, among other things, covenants, relating to compliance with the Internal Revenue Code of 1986 (the "Code"), with the owners of the bonds that the City will, among other things, (A) take all actions on its part necessary to cause interest on the bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the bonds and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the bonds and any obligations refunded with proceeds of the bonds, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the bonds and investment earnings thereon on certain specified purposes; (iv) a Continuing Disclosure Undertaking Certificate of the City, executed by the Director of Finance, stating that the City has agreed, in accordance with the Rule, to provide or cause to be provided during any succeeding fiscal year in which the bonds are outstanding, (a) on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is prepared, sixty days following receipt by the City of the audited financial statement for the preceding fiscal year, but, in no event, not later than the last business day of each such succeeding fiscal year, certain annual financial information and operating data for the preceding fiscal year, in a form generally consistent with information contained or cross-referenced in the Official Statement, together with such audited financial statement for such year, if any; (b) timely notice of the occurrence of certain material events with respect to the bonds; and (c) timely notice of a failure by the City to provide the required annual financial information and operating data, together with such audited financial statement, if any, described in (a) above on or before the date specified in (a) above; and (v) the unqualified legal opinion as to the validity of the bonds of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Reference should be made to said Official Statement for a description of the scope of Bond Counsel's engagement in relation to the issuance of the bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "Legal Matters" in the Official Statement.

The City will designate the bonds as "qualified tax exempt obligations" pursuant to Section 265(b)(3) of the Code.

Following the sale of the bonds, the successful bidder will be required to provide to the City certain information regarding the reoffering price to the public of each maturity of the bonds. The successful bidder also must submit to the City a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, dated as of the day of the delivery of the bonds, which states that:

(a)(i) on the date of award, such successful bidder made a bona fide public offering of all bonds of all maturities at initial offering prices corresponding to the prices or yields indicated in the information furnished in connection with the successful bid, and (ii) as of such date, the first price or yield at which an amount equal to at least ten percent of each maturity of the bonds was sold to the public was, respectively, a price not higher or a yield not lower than indicated in the information furnished with the successful bid (the "first price rule"), with the exception of those maturities, if any, identified in such certificate, as to which such certificate shall explain the reasons why the first price rule was not satisfied, OR

(b) such successful bidder has purchased the Bonds for its own account and not with a view to distribution or resale and not in the capacity of bond house, broker or other intermediary, and the price or prices at which such purchase was made.

For the purposes of the Reoffering Price Certificate, the "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers or similar intermediaries. In making such representations, the successful bidder must reflect the effect on the offering prices of any "derivative products" (e.g., a tender option) used by the bidder in connection with the initial sale of any of the bonds.

Such certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation.

Any party executing and delivering a bid for the bonds agrees, if its bid is accepted by the City, to provide to the City, in writing, within two business days after the date of such award, all information which said successful bidder determines is necessary for it to comply with SEC Rule 15c2-12, including all necessary pricing and sale information, information with respect to the purchase of municipal bond insurance, if any, and underwriter identification. Within five business days following receipt by the City thereof the City will furnish to the successful bidder, in reasonable quantities as requested by the successful bidder, copies of said Official Statement, updated as necessary, and supplemented to include said information. Failure by the successful bidder to provide such information will prevent the City from furnishing such Official Statement as described above. The City shall not be responsible or liable in any manner for the successful bidder's determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder or for failure to furnish such Official Statements as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statements shall be conclusive evidence of the satisfactory completion of the obligations of said City with respect to the preparation and delivery thereof.

The population of the City is estimated to be 11,183. The Debt Statement to be filed, pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the bonds herein described, prepared as of January 31, 2012, will show the average full valuation of real estate subject to taxation by the City to be \$504,317,564, its debt limit to be \$35,302,229, and its total net indebtedness subject to the debt limit to be \$7,594,700. Bond anticipation notes have not been issued heretofore in anticipation of the sale of such bonds. The indebtedness to be evidenced by such bonds will increase such net indebtedness by \$1,600,000. A detailed Official Statement will be furnished to any interested bidder upon request.

The City will act as Paying Agent for the Bonds. The City's contact information is as follows: Linn G. Smith, Director of Finance, 1 Nasser Civic Center Plaza, Corning, New York 14830, Phone: (607) 962-0340, Telefax: (607) 937-3358, E-mail: linnsmith@stny.rr.com

Additional Official Statements may be downloaded from Municipal Solutions, Inc.'s Internet address: <http://www.municipalsolution.com>

Dated: Corning, New York,
February 6, 2012.

Linn G. Smith
Director of Finance

PROPOSAL FOR \$1,600,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2012 SERIES B

Linn Smith, Director of Finance
 City of Corning, Steuben County, New York
 c/o Municipal Solutions, Inc.
 2528 State Rt. 21
 Canandaigua, New York 14424
 Telefax: (585) 394-4092
 Telephone: (585) 394-4090

Sale Date: February 15, 2012
 11:30 AM (Prevailing Time)

Dated: February 15, 2012

Maturity Date: February 15, 2013/2037

Dear Ms. Smith:

For the **\$1,600,000 Public Improvement (Serial) Bonds, 2012 Series B (the "Bonds")**, of the City of Corning, Steuben County, New York, as described in the annexed Notice of Bond Sale (which is hereby made a part of this bid), we will pay \$1,600,000 plus a premium of \$_____ and accrued interest to the date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest, in the indicated multiple(s) of 1/8th or 1/100th of one per centum (1%), from their dated date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
2013	_____%	2019	_____%	2025	_____%	2031	_____%
2014	_____%	2020	_____%	2026	_____%	2032	_____%
2015	_____%	2021	_____%	2027	_____%	2033	_____%
2016	_____%	2022	_____%	2028	_____%	2034	_____%
2017	_____%	2023	_____%	2029	_____%	2035	_____%
2018	_____%	2024	_____%	2030	_____%	2036	_____%
						2037	_____%

Check ONE of the following:

- We enclose herewith a cashier's check or certified check for \$8,000 payable to the order of "City of Corning", to be returned to the undersigned upon the award of the Bonds provided this bid is not accepted; or, the amount of said check to be retained as and for liquidated damages in case of the failure of the undersigned to make payment as agreed.
- Wire Transfer – We have wired \$8,000 in federal funds pursuant to the instructions detailed in the Notice of Bond Sale for the account of the City of Corning, which is to be applied in accordance with the Notice of Bond Sale against any loss resulting from the successful bidder failing to comply with the terms of the bid.

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

Gross Interest Cost.....	\$ _____
Less: Amount of Premium Offered	\$ _____
Dollar Interest Cost.....	\$ _____
Net Interest Cost	_____ %

(Four Decimals)

Receipt for return of good faith deposit:

Received from Linn Smith, Director of Finance, a check for \$8,000 representing the return of our good faith deposit.

 Signature

 Signature

 Name of Bidder

 Address of Bidder

 Telephone

 Fax

 E-Mail