

NOTICE OF SALE

**CITY OF DUNKIRK
CHAUTAUQUA COUNTY, NEW YORK
(the "City")**

\$1,270,000

**BOND ANTICIPATION NOTES, 2011A
(the "Notes")**

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

RENEWALS: \$1,270,000

NON-CALLABLE

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: November 10, 2011 (Thursday) to March 29, 2012 (Thursday)

DAYS OUTSTANDING: 139

SALE DATE & TIME: October 25, 2011 (Tuesday) at 11:00 a.m. - Canandaigua, New York

CLOSING DATE & TIME: November 10, 2011 (Thursday) by 11:00 a.m.

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 stating that it represents and warrants that: a) it is acquiring the Notes for its own account as principal for investment and not for resale or b) it will comply with an exception provided in SEC Rule 15c2-12.

PURPOSE: The Notes are being issued pursuant to a bond resolution adopted by the Common Council of the City on September 15, 2009 authorizing the issuance of \$1,300,000 of serial bonds for the acquisition of various machinery and apparatus for the City Water System. The proceeds of the Notes, along with \$30,000 of available funds of the City, will be used to redeem and renew, in part, outstanding bond anticipation notes of the City that were issued in the amount of \$1,300,000.

**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, 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. 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. If two or more bidders offer to purchase the Notes at the same lowest net interest cost, the Notes will be awarded to one of such bidders selected by the City Treasurer by lot from among all such bidders. The right is reserved to reject all bids, and any bid not complying 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

PROPOSAL FOR \$1,270,000 BOND ANTICIPATION NOTES, 2011A
City of Dunkirk, Chautauqua County, New York

Mark Woods, Treasurer
 City of Dunkirk
 c/o Municipal Solutions, Inc.
 2528 State Route 21
 Canandaigua, New York 14424
 Telephone: 585-394-4090
 Fax: 585-394-4092

Sale Date: October 25, 2011
 11:00 A.M., Prevailing Time

Dated: November 10, 2011

Maturity Date: March 29, 2012

Dear Mr. Woods:

For the **\$1,270,000 Bond Anticipation Notes, 2011A (the "Notes") of the City of Dunkirk, Chautauqua County, New York**, dated November 10, 2011 and maturing March 29, 2012, without the option of redemption, in whole or in part, prior to maturity, as described in the annexed Notice of Sale which is hereby made a part of this bid, we offer to pay \$1,270,000 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	_____ % (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