

**NOTICE OF SALE**

**TOWN OF ERWIN INDUSTRIAL DEVELOPMENT AGENCY  
(the "IDA")**

**\$150,000 BOND ANTICIPATION NOTES, 2011 (RENEWALS)**

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SALE DATE: September 8, 2011 (Thursday)  
TIME: 11:00 o'clock a.m. (Prevailing Time)  
LOCATION: Municipal Solutions, Inc.  
2528 State Route 21  
Canandaigua, New York 14424

NOTES DATED: September 15, 2011 (Thursday)  
NOTES DUE: September 13, 2012 (Thursday)

**"Bank Qualified"**

Written proposals, telephone bids (telephone number: 585-394-4090) and facsimile transmission (FAX) bids (FAX number: 585-394-4092) will be received and considered by the undersigned Chairman of the Town of Erwin Industrial Development Agency, New York ("the IDA") at the Offices of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424 until 11:00 a.m. Prevailing Time on the 8th day of September, 2011 at which time and place the bids will be opened for the purchase at not less than par and accrued interest of \$150,000 Bond Anticipation Notes, 2011 of the Town of Erwin Industrial Development Agency, New York dated September 15, 2011 and maturing September 13, 2012. The Notes will NOT be subject to redemption prior to maturity. Interest on the Notes will be payable at maturity.

The timely delivery of all proposals submitted by telefax (FAX) must be in legible and completed form, signed by an authorized representative of the bidder, and shall be the sole responsibility of the bidder. The IDA shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

The Notes are being issued pursuant to a bond resolution dated August 3, 2010 authorizing the issuance of bonds to finance the cost of the construction of a self-service fuel farm and T-Hanger at the Corning-Painted Post Airport. The proceeds of the Notes together with \$545,000 of available funds will renew outstanding bond anticipation notes.

The IDA is a public benefit corporation which was established August 26, 1970, pursuant to Chapter 1030 of the Laws of 1969 by an Act of the New York State Legislature. The purpose of the IDA is to protect and promote the economic welfare of the Town of Erwin and to actively promote, attract, encourage and develop the continuation of sound commerce and industry through farsighted municipal action and to develop, encourage and assist new industry and commerce to consider the Town of Erwin.

The IDA owns the Industrial Park located in the Town of Erwin and sells land in the park to foster industrial growth. The IDA provides the infrastructure to support industrial growth by contracting with industry and the Town of Erwin to be the agent to construct municipal infrastructure (roads, water and sewer facilities) that is dedicated to the Town of Erwin for ultimate ownership and operation.

The IDA owns the Corning-Painted Post Airport, a public use, general aviation airport, and a gravel pit. The material in the gravel pit assists the IDA to provide the infrastructure that supports industrial growth.

The Notes are general obligations of the IDA payable from any revenues of the Agency available thereof. The

remaining portion of the Notes will be repaid from revenues received from fuel sales and rentals of a recently constructed 10 bay T-Hanger and other revenues of the IDA.

Principal of and interest on the Notes are payable in lawful money of the United States of America in Federal Funds. Paying agent fees, if any, are to be paid by the purchaser(s).

The Notes will be issued in the form of fully registered notes. If the Notes are issued in registered certificated form, payment of the principal and interest on such notes will be payable in Federal Funds at the Office of the IDA in Painted Post, New York.

Denominations, in multiples of \$5,000 or integral multiples thereof, as may be determined by the purchaser.

**DTC Option:** If the purchaser(s) notify Bond Counsel by 3:00 P.M., Prevailing Time on the date of sale, such Notes may be issued in the form of fully registered notes, in denominations corresponding to the aggregate principal amount of each Note bearing the same rate of interest and CUSIP number. In the event that the purchaser(s) choose registered notes, as a condition to delivery of the Notes, the successful bidder(s) will be required to cause such note certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the Notes. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the IDA) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof, except for one Note of an odd denomination. Principal of and interest on the Notes will be payable by the IDA by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to Beneficial Owners by participants of DTC will be the responsibility of such participants and other nominees of Beneficial Owners. The IDA will not be responsible or liable for payments by DTC to its participants or by DTC participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event the Notes shall be issued under the DTC option described above, the IDA agrees to deliver the Note(s) to DTC, to be held in escrow, one day in advance of the date of delivery of the Note(s).

Delivery of the Notes will be in New York, New York, or at such other place as may be agreed with the purchaser(s), at no cost to the purchaser(s), on or about September 15, 2011, at approximately 11:00 a.m. Prevailing Time, against receipt of the purchase price of the Notes in Federal Funds.

Following the sale of the Notes, the successful bidder(s) will be required to provide the IDA with certain information regarding the reoffering price to the public of the Notes. The successful bidder(s) shall furnish to the IDA a certificate acceptable to Bond Counsel, dated as of the day of closing for the Notes, stating the initial prices at which a bona fide public offering of all of the Notes purchased by each bidder(s) was made and stating that 10% or more of the Notes were in fact sold to the public (excluding bond houses, brokers and other intermediaries) at or below such initial respective public offering prices. Such certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after the appropriate investigation.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

CUSIP identification numbers will be printed on the Notes if the purchaser(s) provides Bond Counsel with such numbers by telefax or by any other mode of written communication (verbal advice will not be accepted) by 3:00 p.m. Prevailing Time on the date following the sale of the Notes but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser(s) thereof to accept delivery of and pay for the Notes in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the IDA; 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(s).

As a condition to the purchaser's(s') obligation to accept delivery of and pay for the Notes, the purchaser(s) will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the Notes: (i) a Closing Certificate, constituting receipt for the Note 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 Notes; (ii) an Arbitrage Certificate executed on behalf of the IDA which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Notes that the IDA will, among other things, (A) take all actions on its part necessary to cause interest on the Notes 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 Notes and investment earnings thereon, making required payments to the Federal government, if any, with regard to both the Notes and any obligations refunded with proceeds of the Notes and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the Notes 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 Notes and investment earnings thereon on certain specified purposes

The terms of the bidding are as follows: Each bid must be for all or a portion 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 or bidders 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; provided, however, that if two or more bidders offer to purchase the Notes at the same lowest net interest cost, the Notes will be awarded first to the bidder offering to purchase the larger lot of the Notes at said lowest net interest cost and then, if necessary, to one of said bidders selected by the Sale Officer by lot from among all said bidders. The right is reserved to award to any bidder all or any part of the Notes which such bidder offers to purchase and, in such event, the premium, if any specified by the bidder will be pro-rated. In any event, award of the Notes will be made on the basis of the bid or combination of bids offering to purchase the Notes on the terms most favorable to the IDA. 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.

Dated: September 2, 2011  
Erwin, New York

David B. Erwin  
Chairman, Town of Erwin Industrial Development  
Agency

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Additional copies of the Notice of Sale may be obtained upon request from the Office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone (585) 394-4090. Website: [www.municipalsolution.com](http://www.municipalsolution.com)

**PROPOSAL FOR \$150,000 BOND ANTICIPATION NOTES, 2011 (RENEWALS)**  
**Town of Erwin Industrial Development Agency**

David B. Erwin, Chairman  
Town of Erwin Industrial Development Agency  
c/o Municipal Solutions, Inc.  
2528 State Rt. 21  
Canandaigua, New York 14424  
Telephone (585) 394-4090, Telefax (585) 394-4092

Sale Date: September 8, 2011  
11:00 A.M., Prevailing Time

**Dated Date: September 15, 2011**

**Maturity Date: September 13, 2012**

Dear Mr. Erwin:

We hereby submit the following proposal for the purchase, in Federal Funds, of the **\$150,000 Bond Anticipation Notes, 2011 (Renewals), of the Town of Erwin Industrial Development Agency, New York**, dated September 15, 2011, due September 13, 2012, without the option of prepayment as described in the annexed Notice of Sale which is hereby made a part of this bid.

The following is our computation of the net interest cost, made as provided in the above mentioned Notice of Sale, but not constituting any part of the foregoing proposal for the purchase of the \$150,000 Notes therein described.

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

In the event we are awarded all or any portion of said Notes, we will promptly notify you if the Notes are to be issued as registered certificated notes and of the denominations and paying agent desired in accordance with the terms of said Notice of Sale.

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

or

“Local” Closing \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of Financial Institution

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

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

\_\_\_\_\_  
Email