

NOTICE OF SALE

**CITY OF LOCKPORT
NIAGARA COUNTY, NEW YORK
(the "City")**

\$630,400

**WATER IMPROVEMENT (SERIAL) BONDS, 2011 (FEDERALLY TAXABLE)
(the "Bonds") (Book-Entry-Only)**

NEW ISSUE

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York, interest on the Bonds is **not** excludable, under existing statutes and court decisions, from gross income of the recipients thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"). However, interest on the Bonds is exempt from New York State and New York City personal income taxes.*

*The Bonds **will not** be designated by the City as "qualified tax-exempt obligations" pursuant to Section 265 (b) (3) of the Code.*

Written proposals or Fax (585) 394-4092 will be received and considered by the undersigned Treasurer of the City of Lockport, Niagara County, New York, at the office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York on Thursday, October 27, 2011, until 11:30 A.M., (Prevailing Time), at which time and place they will be publicly opened and announced, for the purchase, in federal funds, at not less than par and accrued interest of \$630,400 Water Improvement (Serial) Bonds, 2011 (Federally Taxable) (the "Bonds"), dated November 9, 2011, and maturing in the annual principal installments each calendar year on November 1, together with the interest thereon, beginning May 1, 2012 and semiannually thereafter, as follows:

<u>Year</u>	<u>Amount</u>
2012	\$70,400
2013	80,000
2014	85,000
2015	95,000
2016	95,000
2017	100,000
2018	105,000

The Bonds will be dated November 9, 2011, and are **NOT** subject to redemption, in whole or in part, prior to maturity. The Bonds will bear interest at the rate or rates per annum specified by the successful bidder therefore in accordance herewith, payable May 1, 2012, November 1, 2012 and semi-annually thereafter on May 1 and November 1, in each year until maturity.

The Bonds are being issued pursuant to the Constitution and the statutes of the State of New York, including among others, the City Law and the Local Finance Law, and a bond resolution adopted on October 5, 2011 authorizing the cost of the construction and reconstruction of facilities at the Municipal Water Filtration Plant, at a maximum estimated amount of \$630,400 and authorizing the issuance of serial bonds for the financing thereof. Proceeds of the Bonds will provide original financing for the project.

The Bonds 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 applicable statutory limitations imposed by Chapter 97 of the 2011 Laws of New York.

Principal of and interest on the Bonds are payable at maturity in lawful money of the United States of America (federal funds).

The timely delivery of all proposals submitted by facsimile transmission (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 City 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 Bonds will be issued in registered form by means of a book-entry-only system with no physical distribution of bond certificates to the public. One bond certificate for each maturity will be registered to Cede & Co. as nominee for the Depository Trust Company, New York, New York ("DTC") and immobilized in its custody.

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 individual purchasers of the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates being issued by the City) 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 Bond of an odd denomination. Principal of and interest on the Bonds will be payable by the City or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. 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 City 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.

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and to supply them to the City in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the City; 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 successful bidder.

Each proposal must be for all of the Bonds and must state in a multiple of one-hundredth of 1% or a multiple of one-eighth of 1%, the rate or rates of interest per annum which the Bonds are to bear and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all Bonds maturing in any one calendar year and (ii) 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 any prior calendar year. 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. 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. If the premiums are the same, then the award shall be made by lot by the City Treasurer. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Bond Sale, except as provided above, will be rejected. A GOOD FAITH DEPOSIT WILL NOT BE REQUIRED.

The Bonds will be delivered in New York, New York or at such other place as may be agreed with the purchaser on or about November 9, 2011. 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 such delivery date.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, such purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the Bonds: (i) a Closing Certificate, constituting a 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 and (ii) the approving opinion of the law firm of Orrick, Herrington & Sutcliffe, to the effect that the Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of *ad valorem* real estate taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations.

There is no offering document which accompanies this Notice of Sale.

CITY OF LOCKPORT

October 19, 2011
Lockport, New York

By: s/s Michael E. White
City Treasurer and Chief Fiscal Officer

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

**PROPOSAL FOR \$630,400 WATER IMPROVEMENT (SERIAL) BONDS, 2011 (FEDERALLY TAXABLE)
City of Lockport, Niagara County, New York**

Michael E. White, Treasurer
City of Lockport
c/o Municipal Solutions, Inc.
2528 State Route 21
Canandaigua, New York 14424
Telephone: 585-394-4090
Fax: 585-394-4092

Sale Date: October 27, 2011
11:30 A.M., Prevailing Time

Dated: November 9, 2011

Maturity Dates: November 1, 2012/2018

Dear Mr. White:

For the **\$630,400 Water Improvement (Serial) Bonds, 2011 (Federally Taxable) (the "Bonds") of the City of Lockport, Niagara County, New York**, that are the subject of the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay \$630,400 plus a premium of \$_____ and accrued interest to date of delivery, provided that the Bonds maturing as 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>
2012	_____ %	2015	_____ %
2013	_____ %	2016	_____ %
2014	_____ %	2017	_____ %
		2018	_____ %

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

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

Signature

Name of Financial Institution

Address

Telephone

Fax No.

Email Address