

NOTICE OF SALE

**TOWN OF MARTINSBURG
LEWIS COUNTY, NEW YORK
(the "Town")**

**\$1,625,000 BOND ANTICIPATION NOTES, 2011
(the "Notes")**

<u>LEGAL OPINION:</u>	Hrabchak, Gebo and Langone, P.C., Watertown, New York Mark G. Gebo, Esq. / Telephone: 315-788-5900/ Fax: 315-788-6085
<u>RENEWALS:</u>	\$1,625,000
<u>NON-CALLABLE</u>	
<u>BANK DESIGNATED / QUALIFIED</u>	
<u>DISCLOSURE INFORMATION:</u>	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.
<u>DATE OF ISSUANCE & MATURITY:</u>	November 1, 2011 (Tuesday) to August 1, 2012 (Wednesday)
<u>DAYS OUTSTANDING:</u>	271
<u>SALE DATE & TIME:</u>	October 18, 2011 (Tuesday) at 11:00 a.m. – Canandaigua, NY
<u>CLOSING DATE & TIME:</u>	November 1, 2011 (Tuesday) by 11:00 a.m.
<u>INVESTMENT INTENT:</u>	The Notes are to be sold to no more than thirty-five persons, in minimum denominations of \$100,000, each of whom the participating underwriter reasonably believes (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (ii) is not purchasing for more than one account or with a view to distributing the securities. The Town will not be preparing an Official Statement or other offering documents in connection with the sale of the Notes.
<u>PURPOSE:</u>	For the construction of a new Highway Garage/Town Hall, pursuant to a bond resolution dated March 18, 2009 authorizing the issuance of \$2,400,000 of serial bonds (the "Project"). The Town received a Letter of Conditions from the United States Department of Agriculture Rural Development ("USDA RD") notifying the Town that the USDA RD will purchase the Town's long term bonds upon substantial completion of its project. The Letter of Conditions dated August 26, 2010 approved a USDA RD Rural Housing Service ("RHS") loan in the amount of \$1,625,600 and a grant not to exceed \$100,000. The term of the USDA RD loan will be for a period not to exceed 30 years. These financing opportunities are contingent upon satisfaction of the terms and conditions contained in the letter of commitment from the

various funding agencies. A copy of said commitment letter, is available from the offices of Municipal Solutions, Inc. upon request.

**SECURITY AND
SOURCE OF PAYMENT:**

The Notes are general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the Town has the power and statutory authorization to levy *ad valorem* taxes on all taxable real property within the Town, subject to the limitations imposed by the Chapter 97 of the Laws of 2011 (the “New Tax Levy Limit Law”).

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. The premium bid, if any, by any bidder shall not exceed \$100,000. 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 Town. If two or more such bidders offer to purchase the Notes at the same net interest cost, computed as described above, the Notes will be awarded to the bidder whose bid offers to purchase the Notes at the highest premium dollar amount. If the premiums are the same, award shall be made by lot by the Town Supervisor. 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.

PAYMENT SHALL 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(S).

MUNICIPAL SOLUTIONS, INC.
2528 Route 21, Canandaigua, New York 14424
Phone: 585-394-4090
Fax: 585-394-4092
www.municipalsolution.com

PROPOSAL FOR \$1,625,000 BOND ANTICIPATION NOTES. 2011
Town of Martinsburg, Lewis County, New York

Terrence Thisse, Supervisor
Town of Martinsburg
c/o Municipal Solutions, Inc.
2528 State Rt. 21
Canandaigua, New York 14424
Telephone (585) 394-4090, Telefax (585) 394-4092

Sale Date: October 18, 2011
11:00 A.M Prevailing Time

Dated: November 1, 2011

Maturity Date: August 1, 2012

Dear Mr. Thisse:

For the **\$1,625,000 Bond Anticipation Notes, 2011 (the "Notes") of the Town of Martinsburg, Lewis County, New York**, dated November 1, 2011 and maturing August 1, 2012, without the option of prior redemption, as described in the annexed Notice of Sale which is hereby made a part of this bid, we will pay \$1,625,000 and a premium of \$_____ at the rate of _____% per annum expressed in a multiple of one-eighth or one-hundredth of one per centum.

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" Closing _____

Signature

Name of Financial Institution

Address

Telephone

Fax No.

E-Mail Address