

NOTICE OF SALE

**TOWN OF STAFFORD
GENESEE COUNTY, NEW YORK
(the "Town")**

\$709,000

**BOND ANTICIPATION NOTES, 2012
(the "Notes")**

LEGAL OPINION: Damon Morey LLP, Buffalo, New York
Timothy C. Cashmore, Esq. / Telephone: 716-856-5500 / Fax: 716-856-5510

NEW ISSUE: \$709,000

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: February 22, 2012 (Wednesday) to February 21, 2013 (Thursday)

DAYS OUTSTANDING: 359

SALE DATE & TIME: February 8, 2012 (Wednesday) at 11:00 a.m. - Canandaigua, New York

CLOSING DATE & TIME: February 22, 2012 (Wednesday) by 11:00 a.m.

PURPOSE: Pursuant to a bond resolution adopted by the Town Board on November 8, 2010, and amended February 14, 2011, authorizing the issuance of not to exceed \$1,074,000 of serial bonds for the cost of constructing a water system in Water District #8 and a bond anticipation note resolution adopted by the Town Board on January 9, 2012. The Town has 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 the water project. The Letter of Conditions, dated July 25, 2011, approved a Rural Utilities Services ("RUS") loan in the amount of \$709,000 and a grant in the amount of \$365,000. The term of the loan will be for a period not to exceed 38 years at an interest rate not to exceed 3.375%. These financing opportunities are contingent upon satisfaction of the terms and conditions contained in the letter of commitment. A copy of such 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 the taxable real property in the Town, except for 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 Town. 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 Town Supervisor 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 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 \$5,000, OR INTEGRAL MULTIPLES THEREOF, EXCEPT FOR ONE NOTE OF AN ODD DENOMINATION, AS MAY BE DETERMINED BY SUCH PURCHASER. FOR NOTES REGISTERED TO THE PURCHASER, A SINGLE NOTE CERTIFICATE WILL BE ISSUED.

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

PROPOSAL FOR \$709,000 BOND ANTICIPATION NOTES, 2012
Town of Stafford, Genesee County, New York

Robert Clement, Supervisor
Town of Stafford
c/o Municipal Solutions, Inc.
2528 State Route 21
Canandaigua, New York 14424
Telephone: 585-394-4090
Fax: 585-394-4092

Sale Date: February 8, 2012
11:00 A.M., Prevailing Time

Dated: February 22, 2012

Maturity Date: February 21, 2013

Dear Mr. Clement:

For the **\$709,000 Bond Anticipation Notes, 2012 (the "Notes") of the Town of Stafford, Genesee County, New York**, dated February 22, 2012 and maturing February 21, 2013, without the option of prior redemption, as described in the annexed Notice of Sale which is hereby made a part of this bid, we offer to pay \$709,000 and a premium of \$_____ at the rate of _____% per annum expressed in a multiple of one-eighth or one-hundredth of one per centum 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