

NOTICE OF SALE

**TOWN OF WATERTOWN
JEFFERSON COUNTY, NEW YORK**

\$1,462,736 BOND ANTICIPATION NOTES, 2011A

LEGAL OPINION: Hrabchak, Gebo & Langone, P.C., Watertown, New York
Mark Gebo, Esq. / Telephone: 315-788-5900/ Fax: 315-788-6085

RENEWAL: \$1,462,736

NON-CALLABLE

BANK DESIGNATED / QUALIFIED

DISCLOSURE INFORMATION: Please refer to our website: www.municipalsolution.com to view the Town's Final Official Statement dated April 19, 2011. If you require additional information, please contact our Canandaigua Office at 585-394-4090.

INVESTMENT INTENT: The Notes are to be sold to no more than thirty-five persons, 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.

PURPOSE: Pursuant to a bond resolution adopted by the Town on July 27, 1996, authorizing the issuance of \$2,500,000 serial bonds for the construction of a water distribution system for the Town's Water District No. 4.

DATE OF ISSUANCE & MATURITY: August 11, 2011 (Thursday) to April 26, 2012 (Thursday)

DAYS OUTSTANDING: 254

SALE DATE & TIME: July 27, 2011 (Wednesday) at 11:00 a.m. – Canandaigua, NY

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

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. The Town reserves the right to reject all bids, and any bid that does not comply 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, EXCEPT FOR ONE NOTE OF AN ODD DENOMINATION, 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 \$1,462,736 BOND ANTICIPATION NOTES, 2011A
Town of Watertown, Jefferson County, New York

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

Sale Date: July 27, 2011
11:00 A.M Prevaling Time

Dated: August 11, 2011

Maturity Date: April 26, 2012

Dear Mr. Bartlett:

For the **\$1,462,736 Bond Anticipation Notes, 2011A (the "Notes") of the Town of Watertown, Jefferson County, New York**, dated August 11, 2011 and maturing April 26, 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 \$1,462,736 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