

NOTICE OF SALE

\$12,210,000

TOWN OF BRISTOL, RHODE ISLAND

GENERAL OBLIGATION BONDS

SEALED AND ELECTRONIC PROPOSALS (as described herein) will be received by the Town Treasurer of the Town of Bristol, Rhode Island at First Southwest Company, 12 Breakneck Hill Road, Suite 200, Lincoln, Rhode Island, until,

11:00 A.M., (LOCAL TIME) ON TUESDAY, FEBRUARY 10, 2009

at which time and place all such proposals will be publicly opened and announced for the purchase of all, but not less than all, of \$12,210,000 General Obligation Bonds of the Town of Bristol, Rhode Island (the "Bonds"). The Bonds will be dated February 15, 2009 and the principal thereof will be payable on February 15 of each year as described below. Interest on the Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months.

<u>Maturity</u> <u>February 15</u>	<u>Principal</u> <u>Amount</u> <sup>(1)</sup>	<u>Maturity</u> <u>February 15</u>	<u>Principal</u> <u>Amount</u> <sup>(1)</sup>
2010	\$390,000	2020	\$610,000
2011	405,000	2021	635,000
2012	425,000	2022	665,000
2013	440,000	2023	695,000
2014	460,000	2024	725,000
2015	480,000	2025	755,000
2016	505,000	2026	790,000
2017	525,000	2027	825,000
2018	550,000	2028	860,000
2019	575,000	2029	895,000

(1) Based on the bid of the successful underwriter for the Bonds, part or all of the Bonds may be designated as term bonds of one or more maturities. Any term bond must consist of the total principal payments of two or more consecutive years, bear a single interest rate and mature on the latest of such years. The term bonds will be subject to redemption prior to maturity by sinking fund redemption payments equal to the amounts listed as maturities in the above table.

The Bonds will bear interest at the rate or rates per annum specified by the successful bidder payable semiannually on August 15 and February 15, commencing August 15, 2009.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company ("DTC"), New York, New York, and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition of delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., as nominee of DTC. Principal of and interest on the Bonds will be payable 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 Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

**Redemption Prior to Maturity**

The Bonds maturing on or after February 15, 2020, shall be subject to redemption prior to their stated dates of maturity, at the option of the Town, on or after February 15, 2019, as a whole or in part at any time (by lot by DTC), in any order of maturity designated by the Town, at 100% of the aggregate principal amount of Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

## Proposals

Each proposal must state the amount bid for the Bonds, which shall not be less than par, and must state in a multiple of 1/8 or 1/20 of 1% the rate or rates of interest per annum which the Bonds shall bear but shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds which exceeds the interest rate stated in such proposal for any other Bonds by more than 2-1/2%. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. The purchaser will be required to provide Bond Counsel with a certificate, satisfactory to Bond Counsel, setting forth the initial prices and yields at which a substantial amount of the Bonds were sold to the public.

As between proposals which comply with this Notice, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest interest rate. **The lowest interest rate for each proposal shall be determined on a true interest cost (TIC) basis, being that rate which as of February 15, 2009 discounts semiannually all future payments of principal and interest payments with respect to the Bonds to the price bid, excluding interest accrued to the date of delivery.** If there is more than one proposal offering to purchase the Bonds at the same true interest cost, the Bonds will be sold to the bidder whose proposal is selected by the Town Treasurer by lot from among all such proposals.

Bids must be submitted either:

- (a) In sealed envelopes and addressed to John M. Day, Town Treasurer, Town of Bristol, Rhode Island, c/o First Southwest Company, 12 Breakneck Hill Road, Suite 200, Lincoln, Rhode Island, and marked on the outside in substance "Proposal for Bonds." **Although telephone bids will not be accepted by the Town, arrangements may be made in advance by telephoning (401) 334-4963 to obtain instructions for submitting bids via facsimile transmission, such bids to be submitted not later than 10:45 A.M. (Local Time) on Tuesday, February 10, 2009.**
- (b) Electronically via i-Deal BiDCOMP/Parity in accordance with this Notice of Sale. To the extent any instructions or directions set forth in BiDCOMP/Parity conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about BiDCOMP/Parity, potential bidders may contact the Public Finance Department, First Southwest Company, 12 Breakneck Hill Road, Suite 200, Lincoln, Rhode Island, 02865, (401) 334-4963, financial advisor to the Town or i-Deal at 1359 Broadway, 2<sup>nd</sup> Floors, New York, New York 10018, telephone (212) 849-5021.

**THE TOWN RESERVES THE RIGHT TO POSTPONE THE DATE SET FOR THE RECEIPT OF BIDS AND, IN CONNECTION WITH ANY SUCH POSTPONEMENT, THE TOWN RESERVES THE RIGHT TO AMEND THE TERMS OF THE SALE, INCLUDING THE AMOUNT OF THE BONDS TO BE SOLD. THE POSTPONEMENT WILL BE ANNOUNCED THROUGH I-DEAL NOT LATER THAN 9:00 A.M., EASTERN TIME ON THE DAY OF THE SALE DAY.**

## Award

When the successful bidder has been ascertained, the Town will notify such bidder. The right is reserved to reject all proposals and to reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

## Bond Insurance

The Town has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by the bidder. With respect to the Bonds, proposals shall not be conditioned upon the issuance of any such policy or commitment and any failure of the Bonds to be insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of the contractual obligations arising from the acceptance of a proposal for the purchase of the Bonds. Should the successful bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the successful bidder, except for the fee paid to Moody's Investors Service, Inc. and Standard & Poor's Rating Service for the ratings on the Bonds. Any such fees paid to Moody's Investors Service, Inc. and Standard & Poor's Rating Service would be borne by the Town.

A downgrade of the insurer by any rating agency subsequent to submitting a bid with municipal bond insurance and before the closing of the transaction, is not a material adverse change nor is it a basis for the Initial Purchaser to

terminate its obligations to pay for the Bonds at closing. It should be noted that the state of the municipal bond insurance industry is under stress, which could result in downgrades of certain municipal bond insurers. Accordingly, investors should evaluate the underlying credit quality of the Town.

### **Certification**

It shall be a condition of the obligation of the successful bidder for each series to accept delivery of and pay for the Bonds, that the Bonds shall be certified as to their genuineness by Wells Fargo Bank, National Association, and that contemporaneously with or before accepting the Bonds and paying therefor, they shall be furnished, without cost, with (a) the approving opinion of the firm of Hinckley, Allen & Snyder LLP, Providence, Rhode Island, substantially in the form presented in Appendix C of the Preliminary Official Statement dated February 3, 2009, (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened affecting the validity of the Bonds, (c) a certificate of the Town signed by the Town Treasurer certifying that, to the best of his knowledge and belief, as of the date of sale the Preliminary Official Statement referred to below did not, and as of the date of delivery of the Bonds, the Final Official Statement referred to below, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (d) a continuing disclosure certificate in the form described in the Preliminary Official Statement.

### **Other**

Additional information concerning the Town and the Bonds is contained in the Preliminary Official Statement dated February 3, 2009 which has been distributed and to which prospective bidders are directed. Such Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Such Preliminary Official Statement is deemed final by the Town except for the omission of the offering price(s), interest rate(s), delivery date, and any other terms of the Bonds depending on such matters and the identity of the underwriter(s), and any other pertinent terms of the Bonds depending on such matters, but is subject to change without notice to completion or amendment in a Final Official Statement. Copies of the Preliminary Official Statement and a suggested form of proposal for the Bonds may be obtained from First Southwest Company, 12 Breakneck Hill Road, Suite 200, Rhode Island, 02865 (401) 334-4963. Within seven (7) business days following the award of the Bonds in accordance herewith, the Town will provide 75 copies of a Final Official Statement to the successful bidder. Upon request, additional copies will be provided at the expense of the successful bidder.

**In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will undertake to provide annual information and notices of certain material events. A description of this undertaking is set forth in the Preliminary Official Statement.**

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

### **CUSIP Numbers**

It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of the CUSIP numbers on the Bonds will be paid for by the Town, provided however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

It is expected that the Bonds in definitive form will be ready for delivery at DTC in New York, New York, on or about February 18, 2009 against payment of the purchase price in Federal Reserve funds payable to the order of the "Town of Bristol, Rhode Island".

Town of Bristol, Rhode Island

/s/ John M. Day  
Town Treasurer

Dated: February 3, 2009

**PROPOSAL FOR GENERAL OBLIGATION BONDS**

February 10, 2009

Ms. John M. Day, Town Treasurer  
 Town of Bristol, Rhode Island  
 c/o First Southwest Company  
 12 Breakneck Hill Road, Suite 200  
 Lincoln, Rhode Island 02865

RE: \$12,210,000 Town of Bristol, Rhode Island General Obligation Bonds

Dear Mr. Day:

Subject to the provisions and in accordance with the terms of the Notice of Sale dated February 3, 2009 we hereby offer to purchase all of the \$12,210,000 Bonds of the Town of Bristol, Rhode Island described in said Notice of Sale, and to pay therefor the price of par plus a premium of \$ \_\_\_\_\_, plus the interest accrued on said Bonds to their date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Maturity February 15,</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity February 15,</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	\$390,000	_____	2020	\$610,000	_____
2011	405,000	_____	2021	635,000	_____
2012	425,000	_____	2022	665,000	_____
2013	440,000	_____	2023	695,000	_____
2014	460,000	_____	2024	725,000	_____
2015	480,000	_____	2025	755,000	_____
2016	505,000	_____	2026	790,000	_____
2017	525,000	_____	2027	825,000	_____
2018	550,000	_____	2028	860,000	_____
2019	575,000	_____	2029	895,000	_____

(CROSS OUT THE SERIAL BOND MATURITIES BEING BID AS TERM BONDS)

**Term Bonds** (Optional - No More Than Two Term Bonds)

<u>First Year of Maturity Redemption</u>	<u>Year of Maturity</u>	<u>Total Principal Amounts</u>	<u>Interest Rate</u>
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

The following is our computation of the true interest rate, computed on a true interest cost (TIC) basis, as provided in the above - mentioned Notice of Sale but not constituting any part of the foregoing proposal of the purchase of \$12,210,000 General Obligation Bonds, under the foregoing proposal:

Interest \_\_\_\_\_  
 (to four decimal places)

INSURED BY: \_\_\_\_\_ TOTAL PREMIUM: \_\_\_\_\_

The undersigned acknowledges receipt of the Preliminary Official Statement referred to in the Notice of Sale, and hereby agrees and further acknowledges that the payment is to be made on the date of delivery of the said Bonds in Federal Reserve Funds.

By: \_\_\_\_\_

Approved:  
 Town of Bristol, Rhode Island  
 February 10, 2009

By: \_\_\_\_\_  
 Town Treasurer