

NOTICE OF PRIVATE COMPETITIVE BOND SALE

\$850,000
CLARENCE FIRE DISTRICT NO. 1
ERIE COUNTY, NEW YORK
GENERAL OBLIGATION SERIAL BONDS, 2020

(DESIGNATED/BANK QUALIFIED)

Dated Date: June 10, 2020
Maturity Dates: June 1, 2021-2030
Sale Date: May 27, 2020
Bids Accepted Until: 11:00 A.M. (Prevailing Time)
Location: Capital Markets Advisors, LLC
4211 North Buffalo Road, Suite 19
Orchard Park, New York 14127

Sealed proposals or, at the option of bidders, electronic proposals delivered via facsimile or via Ipreo's Parity electronic bid submission system ("Parity") will be received at the offices of Capital Markets Advisors, LLC (the "Municipal Advisor"), 4211 North Buffalo Road, Suite 19, Orchard Park, New York 14127 (Phone: 716.662.3910, Fax: 716.662.6684) and considered by the undersigned District Treasurer (the "Treasurer"), or her designated agent, of the Clarence Fire District No.1, Erie County, New York (the "District") as outlined above for the purchase of \$850,000 General Obligation Serial Bonds, 2020 of the District (the "Bonds"). The Bonds are authorized to be issued pursuant to the Constitution and laws of the State, including among others, the Town Law, the Local Finance Law and pursuant to a bond resolution duly adopted by the Board of Fire Commissioners of the Fire District on March 30, 2015. The bond resolution authorized the issuance of up to \$1,500,000 in serial bonds of the District to finance the construction of an addition to and the reconstruction of the Fire District building located at 10355 Main Street, Clarence, New York. Such resolution was approved by the qualified voters of the District at a Special Election on May 5, 2015. The Bonds, along with a \$50,000 budgetary appropriation, are being issued to redeem and retire \$900,000 in outstanding bond anticipation notes which were issued on June 12, 2019.

The Bonds will be valid and legally binding general obligations of the District, for the payment of which the District has pledged its faith and credit. Unless paid from other sources, all the taxable real property in the District will be subject to the levy of *ad valorem* real property taxes to pay the principal of the Bonds and the interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). The New York State Constitution requires the District to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon, and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the District, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes. The Treasurer may be required to set apart and apply such revenues as aforesaid at the suit of any holder of the Bonds.

The Bonds are payable in annual installments which, together with interest thereon, are expected to provide for substantially level or declining annual debt service with respect to the Bonds, as defined and described in paragraph (d) of Section 21.00 of the New York Local Finance Law, on June 1 in each year as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2021	\$70,000	2026	\$85,000
2022	80,000	2027	90,000
2023	80,000	2028	90,000
2024	85,000	2029	90,000
2025	85,000	2030	95,000

*The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, to achieve substantially level or declining annual debt service, and to permit the District to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code").

The Bonds are not subject to redemption prior to maturity.

Following the sale of the Bonds, the aggregate par amount of the Bonds may be decreased in an amount not in excess of the premium offered by the successful bidder to the extent necessary in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the District, do not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended. In such event, the premium shall also be adjusted to the extent necessary to achieve the same net interest cost which served as the basis for the award to the purchaser.

The Bonds will be dated their date of delivery and will mature on June 1 in the years and amounts stated above (subject to adjustment, as described above), and will bear interest payable on June 1, 2021, and semi-annually thereafter on January 1 and June 1 in each year until maturity. The record date of the Bonds is the fifteenth day of the calendar month preceding an interest payment date.

The Bonds will be issued in the form of fully registered bonds, in denominations corresponding to the total principal amounts due in each year of maturity. As a condition to delivery of the Bonds, the successful bidder will be required to cause the Bond certificates to be (i) registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and (ii) deposited with DTC to be held in trust until maturity. 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 its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds will be payable by the District 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 District 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. Notwithstanding the foregoing, upon request of the successful bidder, the Bonds may be issued and registered to the purchaser thereof, in denominations corresponding to the total principal amounts due in each year of maturity.

THE BONDS WILL BE DEEMED DESIGNATED AND SHALL BE TREATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”).

Each written proposal must be for all of the Bonds and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (1) only one rate of interest may be bid for all Bonds maturing in any one calendar year and (2) all rates of interest bid must be stated in a multiple of one-eighth or one-hundredth of one percentum per annum. No proposed purchase price may be less than the total par value of the Bonds. No proposal for less than all of the Bonds will be considered. The date of delivery is currently anticipated to be the same as the dated date. If the date of delivery changes, the successful bidder shall be obligated to pay the price bid plus accrued interest, if any, on the Bonds from June 10, 2020 to the date of delivery.

Each proposal must be either (1) enclosed in a sealed envelope, the outside of which should be marked “Proposal for General Obligation Serial Bonds, 2020”, and addressed as follows to the Sale Officer, viz.: Sandra Larkin, Treasurer of the Clarence Fire District No. 1, c/o Capital Markets Advisors, LLC, 4211 North Buffalo Road, Suite 19, Orchard Park, New York 14127 or (2) submitted electronically via Parity. In the case of a facsimile bid, neither the District nor its agents will assume liability for any inability of the bidder to reach the above-named fax number prior to the time of sale outlined above; time of receipt will be the time recorded by the facsimile receiver. In the case of a Parity bid, each qualified prospective bidder shall be solely responsible for making the necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Private Competitive Bond Sale. If any provisions of this Notice of Private Competitive Bond Sale shall conflict with information provided by Parity, as an approved provider of electronic bidding services, this Notice of Private Competitive Bond Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at 212.849.5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted. Prospective bidders wishing to submit electronic bids via Parity must be contracted customers of Parity. Bidders not having a contract with Parity may call 212.849.5021 to become a customer.

A GOOD FAITH DEPOSIT WILL NOT BE REQUIRED.

Unless all bids are rejected, the Bonds will be awarded 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 true interest cost. True interest cost shall be determined for each bid by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount all interest and principal payments from the payment dates thereof to the dated date of the Bonds, so that the sum of the present value of such payments equals the price bid, excluding interest accrued to the date of delivery. The true interest cost shall be calculated from the dated date of the Bonds. In the event that the District receives two or more bids specifying the same lowest true interest cost, then the successful bidder shall be selected by the Treasurer by lot from among all such bidders. Notwithstanding anything herein to the contrary, the District reserves the right to waive any technical defects, omissions or other deficiencies in the form of any proposal submitted for consideration.

Award of the Bonds to a successful bidder, or rejection of any bids, is expected to be made promptly after the opening of the bids, but a successful bidder may not withdraw its proposal until after 5:00 P.M. (Prevailing Time) on the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

If the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Private Competitive Bond Sale.

The Bonds must be paid for in federal funds or other funds available for immediate credit in New York, New York on June 10, 2020, or at such other place and time as may be agreed upon with the successful bidder.

THE DISTRICT RESERVES THE RIGHT TO CHANGE THE DATE AND TIME FOR THE OPENING OF BIDS. NOTICE OF ANY SUCH CHANGE SHALL BE PROVIDED NOT LESS THAN ONE HOUR PRIOR TO THE TIME SET FORTH ABOVE FOR THE OPENING OF BIDS BY MEANS OF A SUPPLEMENTAL NOTICE OF PRIVATE COMPETITIVE BOND SALE TO BE DISSEMINATED VIA TM3. IN ADDITION, SUCH NOTICE SHALL BE GIVEN TO THE NEWS MEDIA AND SHALL BE POSTED IN ONE OR MORE DESIGNATED PUBLIC LOCATIONS WITHIN THE DISTRICT AT LEAST ONE HOUR PRIOR TO THE TIME AND DATE SET FOR THE OPENING OF BIDS.

In the event that prior to the delivery of the Bonds, the income received by owners from bonds of the same type and character becomes includable in the gross income of such owners for federal income tax purposes, the successful bidder may, at its election, be relieved of its obligations hereunder to purchase the Bonds, and in such case, the Deposit accompanying its bid will be returned.

CUSIP identification numbers will be printed on the Bonds if Bond Counsel is provided with such numbers by the close of business on the date of sale of the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Private Competitive Bond Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the District, provided, however, that the CUSIP Service Bureau charge for the assignment of CUSIP numbers shall be the responsibility of and shall be paid for by the purchaser.

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for the Bonds: (1) a closing certificate, evidencing receipt for the proceeds of the Bonds 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, (2) a tax certificate executed on behalf of the District which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Bonds that the District will, among other things, (a) take all actions on its part necessary to cause interest on the Bonds to be excluded from the gross income of the owners thereof for federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereof, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (b) refrain from taking action which would cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes, and (3) the approving opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, to the effect that the Bonds are valid and legally binding general obligations of the District for which the District has pledged its faith and credit and, unless paid from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* real property taxes to pay the Bonds and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York).

Bond counsel will deliver at closing its written opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, with certain exceptions and that such interest is exempt from New York State and New York City personal income taxes.

No Official Statement accompanies this Notice of Private Competitive Private Competitive Bond Sale.

S&P Global Ratings ("S&P") has assigned a rating of "A+" to the uninsured outstanding bonded indebtedness of the District.

Such ratings reflect only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency. There can be no assurance that such ratings will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of the particular rating agency circumstances so warrant. Any such change or withdrawal of such ratings may have an adverse effect on the market price of the District's outstanding debt, including the Bonds, or the availability of a secondary market for such debt, including the Bonds.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Requirements”). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Bonds. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

The winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Bonds (the “Initial Reoffering Prices”) as of the date of the award.

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if ten percent of each maturity of the Bonds (as hereinafter defined) is not sold on the Sale Date and if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. Such election must be made on the bid form submitted by each bidder.

For purposes of the “hold the price” or “follow the price” requirement described below, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

(1) Hold the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds at the Initial Reoffering Prices and provide the District and Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Bonds within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent of the Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the fifth business day after the date of the award of the Bonds, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

(2) Follow the Price. The winning bidder:

(a) will make a bona fide offering to the public of all of the Bonds at the Initial Reoffering Prices and provide the District and Bond Counsel with reasonable supporting

documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the District and Bond Counsel information regarding the actual prices at which at least ten percent of the Bonds within each maturity of the Bonds have been sold to the public,

(c) will provide the District and Bond Counsel with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Bonds, will continue until such date that ten percent of each maturity of the Bonds has been sold to the public, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the District and Bond Counsel a certificate (the "Issue Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Bonds stating the applicable facts as described above. The form of Issue Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Issue Price Certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

For purposes of this Notice, the "public" does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any "derivative products" (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic, but some economists have predicted that the short-term economic fallout will be worse than the 2008-09 global financial crisis. The World Trade Organization has estimated that world trade will fall by between 13% and 32% in 2020, and news outlets have reported on possibilities of supply chain problems as the pandemic spreads to different countries around the world.

While initially the hospitality and tourism industries were hardest hit, there is now widespread unemployment across all economic sectors in the United States. During the eight

week period from March 15 through May 9, 2020, approximately 36.5 million Americans filed for unemployment.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, but the markets remain volatile. Given these conditions, it is possible that the process of trading the Bonds in the secondary market could be affected in ways that are difficult to predict. Although the secondary trading market has stabilized after some significant disruptions in the immediate wake of the COVID-19 pandemic, and is benefiting from federal intervention in support of the municipal bond markets, the markets remain highly reactive to the unprecedented recent economic and political events. Accordingly, investors in the Bonds may experience difficulty in trading the Bonds on satisfactory terms.

Additional copies of this Notice of Private Competitive Bond Sale or any other additional information may be directed to Capital Markets Advisors, LLC, 4211 North Buffalo Road, Suite 19, Orchard Park, New York 14127 (Phone: 716.662.3910, Fax: 716.662.6684).

Dated: May 18, 2020

Sandra Larkin
District Treasurer

**PROPOSAL FOR \$850,000 GENERAL OBLIGATION SERIAL BONDS, 2020
CLARENCE FIRE DISTRICT NO. 1, ERIE COUNTY, NEW YORK**

Ms. Sandra Larkin
 Treasurer of the Clarence Fire District No.1
 c/o Capital Markets Advisors, LLC
 4211 North Buffalo Road, Suite 19
 Orchard Park, New York, 14127

May 27, 2020 (the "Sale Date")

Phone: 716-662-3910
 Fax: 716-662-6684

Dear Ms. Larkin:

Subject to the provisions and in accordance with the terms of the annexed Notice of Private Competitive Bond Sale dated May 18, 2020 which is hereby made a part of this Proposal, we offer to purchase all of the \$850,000 General Obligation Serial Bonds, 2020 of the Clarence Fire District No.1, Erie County, New York, described in said Notice of Private Competitive Bond Sale, and to pay therefore the price of \$850,000 plus a premium of \$_____, plus interest, if any, accrued on said Bonds from their date to the date of their 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:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
2021	_____ %	2021	_____ %
2022	_____ %	2022	_____ %
2023	_____ %	2023	_____ %
2024	_____ %	2024	_____ %
2025	_____ %	2025	_____ %

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Private Competitive Bond Sale, but not constituting any part of the foregoing Proposal for the purchase of \$850,000 Bonds under the foregoing Proposal:

Par Amount of the Bonds..... \$ _____
 Add:
 Premium..... \$ _____
 Accrued Interest..... \$ _____
 Target Value for Calculation \$ _____
 True Interest Rate (four decimals) _____%

*****Proposal Continues on Next Page*****

**PROPOSAL FOR \$850,000 GENERAL OBLIGATION SERIAL BONDS, 2020
CLARENCE FIRE DISTRICT NO.1, ERIE COUNTY, NEW YORK
(CONTINUED)**

Please specify form of Bonds:

- Book-Entry-Only registered to Cede & Co. ("DTC" Closing)
- Registered in the Name of the Purchaser ("Local" Closing)

Please select one of the following:

- We are purchasing the Bonds for our own account and not with a view to distribution or resale to the public.
- In the event that 10% or more of each maturity of the Bonds is not sold on the Sale Date and the Competitive Sale Requirements are not met, we hereby elect to:
 - Hold the Price
 - Follow the Price

The bidder represents that it has an established industry reputation for underwriting new issuance of municipal bonds.

- Yes
- No

Signature

Name of Financial Institution

Address

Telephone Number

Fax Number

Email Address