

Capital Markets Advisors, LLC

Independent Municipal Advisors

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May 28, 2020

Faxed or telephoned bids are requested by Capital Markets Advisors, LLC for The City School District of the City of Tonawanda, Erie County, New York, on **Thursday, June 4, 2020** by 11:00 AM for the purchase at not less than par of the following notes:

TERM SHEET

ISSUER:	The City School District of the City of Tonawanda (the “District”) Erie County, New York
ISSUE:	\$549,766 Bond Anticipation Notes, 2020 (the “Notes”)
SALE DATE:	June 4, 2020
SALE TIME:	11:00 A.M. (Prevailing Time)
DATE OF ISSUE:	June 18, 2020
DATE OF MATURITY:	June 17, 2021
DENOMINATION:	The Notes shall be in denominations of \$5,000 or any integral multiple thereof except for one necessary odd denomination, if delivered through DTC. At the winning bidder’s option, one note will be prepared for portfolio purposes and delivered at a local closing.
DELIVERY:	Delivery of the Notes will be in Tonawanda, New York or New York, New York on or about June 18, 2020, or as otherwise mutually agreed upon by the District and the purchaser.
LEGAL OPINION:	Opinion of Hodgson Russ LLP, Buffalo, New York, Bond Counsel, will be provided at closing.
NO CALL FEATURE:	The Notes will not be subject to redemption, in whole or in part, prior to maturity.
FORM:	The Notes will be issued as registered notes, and at the option of the purchaser, may be registered to The Depository Trust Company (“DTC”) or may be registered in the name of the purchaser.
DESIGNATION:	The Notes will be designated by the District as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).
AUTHORITY FOR AND PURPOSE OF ISSUE:	The Notes are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law and the Education Law and pursuant to a bond resolution that was duly adopted by the Board of Education of the District (the “Board”) on March

10, 2020, authorizing the issuance of obligations of the District in an aggregate maximum principal amount of \$549,766 for the financing of the District's share of the construction and equipping of improvements and upgrades to various buildings and facilities of the Board of Cooperative Educational Services, First Supervisory District, New York (a.k.a. "Erie 1 BOCES"). Proceeds of the Notes will provide original financing for this purpose.

PROPOSAL REQUIREMENTS:

Proposals must be for all of the Notes and must state, in a multiple of one-hundredth or one-eighth of 1%, a rate of interest per annum which such Notes shall bear.

The Notes will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of such bidders selected by the Sale Officer, or her designated agent, by lot from among all such bidders.

The right is reserved to reject any or all bids and any bid not complying with the terms of this notice in all material respects will be rejected.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, 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 Notes 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 Notes. 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 Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of the Notes (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 Notes for its own account and not with a view to distribution or resale to the public) that 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.

(1) Hold the Price. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes 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 Notes 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 Notes 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 Notes, 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 Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) Follow the Price. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes 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 Notes within each maturity of the Notes 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 Notes, will continue until such date that ten percent of each maturity of the Notes 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 Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

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

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 Notes 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 Notes 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 Notes was made.

OFFICIAL STATEMENT:

The District has **not** prepared an official statement in connection with the sale of the Notes; however information relating to the District is available upon request made to the District’s Municipal Advisor.

COVID-19:

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, economics 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.

While initially the hospitality and tourism industries were hardest hit, there is now widespread unemployment across sectors in the United States. During the nine week period from March 15 through May 16, 2020, approximately 38.6 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, at times, 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 have experienced significant volatility at times, and such volatility may re-occur. Given these conditions, it is possible that the process of trading the Notes 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.

BOND RATING:

The Notes are not rated.

Moody's Investors Service, Inc. has assigned a rating of "A1" to the uninsured outstanding bonded indebtedness of the District.

ISSUER CONTACT:

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Tonawanda, NY 14150
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BOND COUNSEL:

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MUNICIPAL ADVISOR:

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(716) 662-3910
rganci@capmark.org

BID PROPOSAL

Ms. Heather Sternin
President, Board of Education
The City School District of the City of Tonawanda
c/o Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, New York 14127

June 4, 2020

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

THE CITY SCHOOL DISTRICT OF THE CITY OF TONAWANDA
ERIE COUNTY, NEW YORK

\$549,766 BOND ANTICIPATION NOTES, 2020

DATED: June 18, 2020

MATURITY DATE: June 17, 2021

<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Premium</i>	<i>Net Interest Cost</i>
\$549,766	%	\$	%

Signature: _____

Name of Bidder: _____

Address of Bidder: _____

Telephone contact of Bidder (Area Code): _____

Facsimile contact of Bidder (Area Code): _____

Email of Bidder: _____

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the purchaser):

- Book-Entry-Only registered to Cede & Co.
- Registered in the Name of the Purchaser

Please check one of the following:

- We are purchasing the Notes for our own account and not with a view to distribution or resale to the public.
- In the event 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 issuances of municipal bonds.
_____ Yes
_____ No