

Capital Markets Advisors, LLC

Independent Municipal Advisors

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Office locations:

Elmira

Great Neck

Orchard Park

July 27, 2021

Proposals may be submitted electronically via Parity or via facsimile transmission at (716) 662-6684 in accordance with this Term Sheet, on Tuesday August 3, 2021 by 11:00 A.M., Prevailing Time, for a five-year bond issue of the Orchard Park Central School District, Erie County, New York that will be structured either as a statutory installment bond ("SIB") with a five-year term and a fixed rate of interest or as five-year serial bonds:

TERM SHEET

ISSUER: Orchard Park Central School District,
Erie County, New York (the "District")

ISSUE: \$818,000 School District Bonds, 2021A (the "Bonds" or the "Obligation(s)") (SIB or Serial Bonds)

SALE DATE: **August 3, 2021**

SALE TIME: 11:00 A.M. (Prevailing Time)

DATE OF DELIVERY: August 12, 2021

DATE OF ISSUE: August 12, 2021

TYPE OF OBLIGATION(S): Either a statutory installment bond ("local" closing only) or serial bonds ("local" or Depository Trust Company ("DTC") closing)

DATE(S) OF MATURITY:

Principal Due <u>August 1st</u>	Principal <u>Amount Due*</u>
2022	\$153,000
2023	165,000
2024	165,000
2025	165,000
2026	<u>170,000</u>
Total:	<u>\$818,000</u>

*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").

INTEREST DUE: August 1, 2022 and annually thereafter on August 1 (in the case of a SIB) or semi-annually thereafter on each February 1 and August 1 (in the case of serial bonds). The record date for the Bonds is the 15th day of the calendar month preceding each interest payment date.

STRUCTURE:	<p>Total annual debt service shall be substantially level or declining over the five years. The District, after approval of Bond Counsel, may, after selecting the successful bidder as provided herein, and by 4:00 P.M. (Prevailing Time) on the Sale Date, adjust such installments of principal to the extent necessary to meet the requirements of substantially level or declining annual debt service. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.</p> <p>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.</p>
SECURITY:	<p>The Bonds are general obligations of the District. The District has pledged its faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from <i>ad valorem</i> taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York (Tax Levy Limit Law).</p>
DELIVERY:	<p>Local or via DTC. If structured as a SIB, a local closing will be utilized.</p>
FORM:	<p>Registered/DTC format or SIB at purchaser's option.</p> <p>If registered to DTC, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing in 2022. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.</p>
GOOD FAITH DEPOSIT:	<p>None</p>
PARITY:	<p>Bids may be submitted electronically via Parity. 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 Term Sheet. If any provisions of this Term Sheet shall conflict with information provided by Parity, as an approved provider of electronic bidding services, this Term Sheet 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.</p>
LEGAL OPINION:	<p>Opinion of Hodgson Russ LLP, Bond Counsel, will be provided at closing.</p>
NO CALL FEATURE:	<p>Non-callable</p>
DESIGNATION:	<p>The Obligation(s) will be designated as "qualified tax-exempt obligation(s)" pursuant to Section 265(b)(3) of "the Code".</p>

**AUTHORITY FOR AND
PURPOSE OF ISSUE:**

The Obligation(s) 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 on July 6, 2021 following a vote of the qualified voters of the District on May 18, 2021, authorizing the issuance of obligations of the District in an aggregate maximum amount of \$818,000 for the purchase of various school buses (and related equipment and supplies) for use in the transportation program of the District. This is the District's initial borrowing pursuant to such bond resolution.

PROPOSAL REQUIREMENTS:

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

The Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Bonds 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 President of the Board of Education of the District by lot from among all such bidders.

The right is reserved to reject any or all bids (if such action is deemed by the President of the Board of Education to be in the best interests of the District) and any bid not complying with the terms of this notice in all material respects will be rejected. Conditional bids will be rejected, including any bid subject to credit approval.

Interest will be computed on the basis of 30 days to the month and 360 days to the year.

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"). Capital Markets Advisors, LLC (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 the Bonds being purchased (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 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:

(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 5th 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.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Bonds 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 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 Term Sheet, 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.

OFFICIAL STATEMENT:

The District has **not** prepared an official statement in connection with the sale of the Obligation(s). Information is available from the District’s Municipal Advisor (see below) upon request.

COVID-19:

The outbreak of COVID-19 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. While several vaccines have been developed and are now being deployed world-wide, the full impact of the pandemic 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, within a short period of time there was widespread unemployment across all economic sectors in the United States.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially 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, and markets have since generally stabilized. Still, 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.

BOND RATING:

The Obligation(s) are not rated.

Moody’s Investors Service has assigned an underlying rating of “Aa2” to the uninsured outstanding bonded indebtedness of the District.

ISSUER CONTACT:

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West Seneca, New York 14224
(716) 209-6209
jpetrus@opschools.org

BOND COUNSEL:

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202-4040

Contacts: Jeffrey W. Stone, Esq. and John A. Alessi, Esq.
(716) 848-1327 and (716) 848-1567
jstone@hodgsonruss.com and jalessi@hodgsonruss.com

MUNICIPAL ADVISOR:

Capital Markets Advisors, LLC
4211 N. Buffalo Road, Suite 19
Orchard Park, New York 14127
Attn: Rick Ganci
(716) 662-3910
rganci@capmark.org

BID PROPOSAL

Dr. Christine Gray Tinnesz
President of the Board of Education
Orchard Park Central School District
c/o Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, New York 14127

August 3, 2021
11:00am

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

ORCHARD PARK CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

\$818,000 SCHOOL DISTRICT BONDS, 2021A

DATED: August 12, 2021

MATURITY DATE(S): August 1, 2022-2026

5 Year Bond Rate (SIB): _____ % ; or **Annual Rates (Serial Bonds) ;**

<u>Principal Due</u> <u>August 1st</u>	<u>Principal</u> <u>Amount Due</u>	<u>Principal Due</u> <u>August 1st</u>	<u>Principal</u> <u>Amount Due*</u>	<u>Rate</u>
2022	\$153,000	2022	\$153,000	_____ %
2023	165,000	2023	165,000	_____ %
2024	165,000	2024	165,000	_____ %
2025	165,000	2025	165,000	_____ %
2026	170,000	2026	170,000	_____ %

*Subject to adjustment to achieve level debt, as described in the attached Term Sheet.

Premium, if any: _____

Net Interest Cost (%): _____

Signature: _____

Name of Bidder: _____

Address of Bidder: _____

Telephone Number of Bidder (Area Code): _____

Facsimile Number of Bidder (Area Code): _____

Email Address of Bidder: _____

BID FORM CONTINUES ON NEXT PAGE

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. (only in the case of serial bonds)
- Registered in the Name of the Purchaser

Please check 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 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