

NOTICE OF SALE

THE CITY SCHOOL DISTRICT OF THE CITY OF TONAWANDA
ERIE COUNTY, NEW YORK
(the "District")

\$47,469,266 BOND ANTICIPATION NOTES, 2022
(the "Notes")

SALE DATE: May 26, 2022 TELEPHONE: (716) 662-3910
TIME: 11:00 A.M. FACSIMILE: (716) 662-6684
(Prevailing Time)
PLACE OF SALE: Capital Markets Advisors, LLC (the "Municipal Advisor")
4211 N. Buffalo Road, Suite 19
Orchard Park, NY 14127
DATE OF NOTES: June 15, 2022
MATURITY DATE: June 15, 2023

Sealed, telephone or faxed proposals and proposals via iPreo's Electronic Bid Submission System ("Parity") will be received at the place and time on the Sale Date by the President of the Board of Education of the District, or such Board President's successor or designated agent (the "Sale Officer"), as herein indicated, for the purchase, at not less than par, of the Notes. No other form of electronic bidding service bids will be accepted. The number for telephone proposals is (716) 662-3910. The number for FAX proposals is (716) 662-6684. Bidders submitting proposals via facsimile must use the "Proposal for Notes" form attached hereto.

Proposals may be submitted in accordance with this Notice of Sale until the time specified herein. No proposal will be accepted after the time for receiving proposals specified above. Any proposal received by the time for receiving proposals specified herein, which has not been modified or withdrawn by the bidder, including those communicated electronically via Parity, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein and therein provided. Bidders shall not submit a bid that modifies the terms contained in this Notice of Sale or that adds additional conditions not set forth in the Notice of Sale.

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and the Education Law, and pursuant to the following bond resolution that was duly adopted by the Board of Education of the School District (the "Board") on August 27, 2019, and thereafter approved by the qualified voters of the District at a special meeting held on October 22, 2019, authorizing the issuance of obligations of the District in an aggregate maximum principal amount of \$47,469,266 for the financing of the District's \$53,469,266 TONA2020: Elementary School Improvements and Consolidation Project (the "Project"). Proceeds of the Notes will be used to redeem and renew, in part, a bond anticipation note of the District that was issued June 16, 2021. The Notes will also provide \$27,469,266 of new money financing for the Project.

The Notes are general obligations of the District and the faith and credit of the District are pledged for payment of the principal of and interest on the Notes. All the taxable real property in the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Notes (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). The Notes are not subject to redemption prior to maturity.

The Notes will not 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").

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 the "Securities Depository") or may be registered in the name of the purchaser.

To the extent that the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. 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 denomination. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes 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 Notes.

To the extent that the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in federal funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or integral multiples thereof, except for one necessary denomination, as may be determined by such successful bidder.

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Notes, a bidder represents and warrants to the District that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes.

Each prospective bidder who wishes to submit an electronic bid shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make 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 Sale. Neither the District nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the District nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Notes. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Notes, it should telephone Parity and notify the District's Municipal Advisor, Capital Markets Advisors, LLC at (716) 662-3910 (provided that the District shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of 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.

Each bid may be for all or a portion of the Notes (\$5,000,000 minimum bid) and must state a single rate of interest therefor in a multiple of one hundredth (1/100th) or one eighth (1/8th) of one per centum (1%) per annum. Interest will be calculated on the basis of 30 days to the month and 360 days to the year. Conditional bids will be rejected, including any bid subject to credit approval.

Unless all bids are rejected, the award will be made to the bidder(s) complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, after factoring in any premium bid. If there is more than one bid at the same lowest net interest cost, the winner will be selected by the President of the Board of Education of the District (the "Board President") by lot. The right is reserved by the District to reject all bids (if such action is deemed by the Board President to be in the best interest of the District), and any bid not complying with this Notice of Sale in all material respects may be rejected.

Award of the Notes is expected to be made promptly after the opening of the bids, but the successful bidder(s) may not withdraw its proposal until two hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal. The Notes will be delivered and shall be paid for on the Date of Notes at such place and at such hour as the Sale Officer and the successful bidder shall mutually agree.

If the Notes will be issued as registered to DTC, CUSIP identification numbers will be printed on the Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note 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 Notes in accordance with the terms hereof. It shall be the responsibility of the Municipal Advisor to apply for assignment of CUSIP numbers within one business day after dissemination of the Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of such number shall be the responsibility of and shall be paid for by the purchaser.

The successful bidder will be furnished without cost with the approving opinion of the law firm of Hodgson Russ LLP, of Buffalo, New York (“Bond Counsel”) to the effect that the Notes are valid and legally binding general obligations of the District for which the District has validly 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 Notes 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). Such opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted, and (b) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement of the District relating to the Notes, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which have been or may be furnished or disclosed to purchasers of the Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

The successful bidder may refuse to accept the Notes if prior to their delivery the tax certificate and the nonarbitrage certificate referred to below, in form and tenor satisfactory to Bond Counsel, are not delivered or if any income tax law of the United States of America is hereafter enacted which shall provide that the interest on the Notes is taxable, or shall be taxable at a future date for federal income tax purposes, and in any such case such bidder will be relieved from its or their contractual obligation arising from the acceptance of their proposal.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income under Section 103 of the Code. As part of the District’s contractual obligation arising from its acceptance of the successful bidder’s proposal, the District will furnish the successful bidder, concurrently with the delivery of the Notes, with its tax certificate and nonarbitrage certificate (collectively, the “Certificates”), which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification to the effect that the District will comply with the provisions and procedures set forth therein, and that it will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is excludable from gross income under Section 103 of the Code.

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The opinion of Bond Counsel shall also contain further statements to the effect that, in the opinion of such law firm, assuming the District complies with the provisions and procedures set forth in the Certificates, interest on the Notes is excludable, under existing statutes and court decisions, from the gross income of the recipients thereof for federal income tax purposes pursuant to Section 103 of the Code; that interest on the Notes is not treated as a preference item in calculating alternative minimum taxable income of individuals; and that under existing statutes, interest on the Notes is exempt from New York State and New York City personal income taxes.

Obligation of Winning Bidder(s) to deliver an Issue Price Certificate at Closing

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 each maturity 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 ten percent of each maturity (as hereinafter defined) of the Notes 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.

(1) Hold the Price. The winning bidder:

(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:

(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.

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.

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 Notes 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 Notes 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 Notes.

The Official Statement is in a form “deemed final” for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”) but may be modified or supplemented herein. Unless the Notes are purchased for the buyer’s own account as principal for investment and not for resale, in order to assist the bidder in complying with the Rule and as part of the District’s contractual obligation arising from its acceptance of the successful bidder’s proposal, at the time of the delivery of the Notes the District will provide an executed copy of its Disclosure Undertaking. A form of such undertaking is attached to the Official Statement. Under the scenario in which the Notes are purchased for the buyer’s own account for investment and not resale, such purchaser shall deliver a municipal securities disclosure certificate that documents such intent (in form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

The District will provide a reasonable number of Official Statements to the successful bidder within five (5) business days following receipt of a written request therefor made to the District and its Municipal Advisor. Such request may specify the applicable (a) offering price, (b) selling compensation, (c) rating(s), (d) credit enhancement and (e) identity of the purchaser and the Official Statements shall then be supplemented by the information so specified. Neither the District nor its Municipal Advisor shall be liable in any manner for any delay, inaccuracy, or omission on the part of the successful bidder with respect to such request, nor shall the District’s failure, as a result thereof, to provide the Official Statements (whether or not modified or supplemented) within the above time period, constitute cause for a failure or refusal by such bidder to accept delivery of and pay for the Notes in accordance with the terms hereof.

The obligations hereunder to deliver or accept the Notes pursuant hereto shall be conditioned on the availability, to each successful bidder at the time of delivery of the Notes, of such approving opinion, of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Notes, and receipt of payment therefor and including a statement, dated as of the date of delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the Notes; and of the several certificates as described in the Official Statement under the heading “Documents Accompanying Delivery of the Notes.”

Copies of the Notice of Sale and the Official Statement pertaining to the Notes may be obtained upon request from the offices of Capital Markets Advisors, LLC, telephone number (716) 662-3910.

THE CITY SCHOOL DISTRICT OF THE CITY OF TONAWANDA

/s/ Heather Sternin
Heather Sternin
President of the Board of Education

Dated: May 18, 2022

PROPOSAL FOR \$47,469,266 BOND ANTICIPATION NOTES, 2022

Heather Sternin (or her designated agent)
 President of the Board of Education
 The City School District of the City of Tonawanda
 Erie County, New York
 c/o Capital Markets Advisors, LLC
 4211 N. Buffalo Road, Suite 19
 Orchard Park, NY 14127

May 26, 2022

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

THE CITY SCHOOL DISTRICT OF THE CITY OF TONAWANDA
 ERIE COUNTY, NEW YORK
 (the "District")

\$47,469,266 BOND ANTICIPATION NOTES, 2022
 (the "Notes")

DATED: June 15, 2022

MATURITY: June 15, 2023

Bid No.	Principal Amount*	Interest Rate	Premium	Net Interest Cost
1	\$	%	\$	%
2	\$	%	\$	%
3	\$	%	\$	%
4	\$	%	\$	%
5	\$	%	\$	%

*\$5,000,000 minimum bid

Signature of Bidder: _____

Name of Bidder: _____

Address of Bidder: _____

Telephone Contact of Bidder (Include Area Code): _____

Facsimile Contact of Bidder (Include 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. (“DTC” closing)
- Registered in the Name of the Purchaser (“local” closing)

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