

Capital Markets Advisors, LLC

Independent Municipal Advisors

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Office locations:

Great Neck

Orchard Park

September 21, 2022

Proposals may be submitted electronically via Parity or via facsimile transmission at (716) 662-6684 in accordance with this Term Sheet, on Thursday September 29, 2022 by 11:00 A.M., Prevailing Time, for a three-year bond issue of the Village of Fredonia, Chautauqua County, New York that will be structured either as a statutory installment bond (“SIB”) with a three-year term and a fixed rate of interest or as three-year serial bonds:

TERM SHEET

ISSUER: Village of Fredonia,
Chautauqua County, New York (the “Village”)

ISSUE: \$76,000 Equipment (Serial) Bonds, 2022 (the “Bonds” or the “Obligation(s)”) (SIB or Serial Bonds)

SALE DATE: **September 29, 2022**

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

DATE OF DELIVERY: October 13, 2022

DATE OF ISSUE: October 13, 2022

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:

<u>Principal Due</u> <u>October 1st</u>	<u>Principal</u> <u>Amount Due*</u>
2023	\$26,000
2024	25,000
2025	<u>25,000</u>
Total:	<u>\$76,000</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 Village to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”).

INTEREST DUE: October 1, 2023 and annually thereafter on October 1 (in the case of a SIB) or semi-annually thereafter on each April 1 and October 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: Total annual debt service shall be substantially level or declining over the three years. The Village, 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.

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 to ensure that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the Village, 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.

SECURITY: The Bonds are general obligations of the Village. The Village 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 ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York (the Tax Levy Limit Law).

DELIVERY: Local or via DTC. If structured as a SIB, a local closing will be utilized.

FORM: Registered/DTC format or SIB at purchaser's option.

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 which is or includes \$6,000 in the maturity October 1, 2023. 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 Village to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

GOOD FAITH DEPOSIT: None

PARITY: 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.

LEGAL OPINION: Opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will be provided at closing.

NO CALL FEATURE: Non-callable

DESIGNATION: The Obligation(s) will be designated as "qualified tax-exempt obligation(s)" pursuant to Section 265(b)(3) of "the Code".

AUTHORITY FOR AND PURPOSE OF ISSUE: The Bonds are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law and the Village Law and pursuant to a bond resolution that

was duly adopted by the Board of Trustees of the Village on July 11, 2022, authorizing the issuance of obligations of the Village in an aggregate maximum amount of \$77,000 for the purchase a 130 HP Vermeer BC 1500XLbrush and wood chipper. Following the issuance of the Obligations, the Village does not expect to issue the additional \$1,000 authorized by such 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%, the rate or rates of interest per annum which such Bonds shall bear and may state different rates of interest for Bonds maturing in different calendar years, provided, however, that only one rate of interest may be bid for all Bonds maturing in any one calendar year. Variations in rates of interest so bid may be in any order.

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 Village Treasurer by lot from among all such bidders.

The right is reserved to reject any or all bids (if such action is deemed by the Village Treasurer to be in the best interests of the Village) 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 at least three (3) bids be received from at least three (3) separate 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 Village 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 Village 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 Village 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 Village 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 Village 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 Village has **not** prepared an official statement in connection with the sale of the Obligation(s). The Village’s audited financial statements for the fiscal year ended May 31, 2021 can be located on the MSRB’s EMMA website at the following link <https://emma.msrb.org/P21528745-P21182010-P21599459.pdf>

BOND RATING:

The Bonds will not be rated.

Moody’s Investors Service has assigned an underlying rating of “A1” to the uninsured outstanding bonded indebtedness of the Village.

ISSUER CONTACT:

Eryssa LeBeau
Village Treasurer
Village of Fredonia
9-11 Church Street
Fredonia, NY 14063
716-679-2314
Email: vilfredonia@netsync.net

BOND COUNSEL:

Orrick, Herrington & Sutcliffe LLP
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New York, NY 10019
Attn: Douglas Goodfriend, Esq.
(212) 506-5211
dgoodfriend@orrick.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

Eryssa LeBeau
Village Treasurer
Village of Fredonia
c/o Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, New York 14127

September 29, 2022
11:00am

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

VILLAGE OF FREDONIA
CHAUTAUQUA COUNTY, NEW YORK

\$76,000 EQUIPMENT (SERIAL) BONDS, 2022

DATED: October 13, 2022

MATURITY DATE(S): October 1, 2023-2025

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

<u>Principal Due October 1st</u>	<u>Principal Amount Due</u>	<u>Principal Due October 1st</u>	<u>Principal Amount Due*</u>	<u>Rate</u>
2023	\$26,000	2023	\$26,000	_____%
2024	25,000	2024	25,000	_____%
2025	25,000	2025	25,000	_____%

*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 (Include Area Code): _____

Facsimile Number 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. (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