

NOTICE OF BOND SALE

\$5,438,800*

**COUNTY OF NIAGARA,
STATE OF NEW YORK**

GENERAL OBLIGATION SERIAL BONDS FOR VARIOUS IMPROVEMENTS, 2018

(NOT BANK QUALIFIED)

SEALED PROPOSALS or, at the option of bidders, proposals delivered via Ipreo's Parity electronic bid submission system ("Parity"), will be received by Kyle R. Andrews, County Treasurer of the County of Niagara, State of New York (the "County") at the offices of Capital Markets Advisors, LLC, 4211 N. Buffalo Road, Suite 19, Orchard Park, NY 14127 (the "Municipal Advisor") (tel: (716) 662-3910; facsimile number: (716) 662-6684) at 11:00 o'clock a.m. (Prevailing Time) on **Thursday, September 20, 2018** at which time they will be publicly opened and announced, for the purchase in Federal Funds of the following issue of General Obligation Serial Bonds for Various Purposes, 2018 of the County (the "Bonds"), to be dated the date of delivery thereof, bearing interest from that date, payable October 1, 2019 and semiannually thereafter on April 1 and October 1. Such interest will be payable to the registered owners of the Bonds as shown on the registration books of the County as of the close of business on the Record Date, being the fifteenth day of the calendar month preceding each interest payment date. The Bonds will be payable in annual installments on October 1, in the following years and amounts:

MATURITIES	
<u>YEAR</u>	<u>AMOUNT*</u>
2019	\$488,800
2020	545,000
2021	575,000
2022	600,000
2023	615,000
2024	500,000
2025	520,000
2026	540,000
2027	555,000
2028	500,000

*** The aggregate principal amount of the Bonds, the purchase price thereof and the principal amounts of the installments listed in the table above are subject to change depending upon the actual interest rates bid and the successful bidder's initial reoffering yields, in order to ensure the Bonds comply with applicable Federal tax law provisions regarding over-issuance. Accordingly, the County reserves the right, after selecting the lowest bidder, to decrease the size of the issue and/or adjust the maturity amounts of the Bonds to the extent necessary to satisfy such requirements. The successful bidder may neither withdraw nor modify its bid as a result of any such post-bid adjustment. Any such adjustment shall be conclusive, shall be promptly communicated to the successful bidder, and shall be binding upon the successful bidder. The Bonds of each maturity, as adjusted, will bear interest at the same interest rate as specified for that maturity in the Proposal for Bonds submitted by the successful bidder for the Bonds, and must have the same initial reoffering yields as thereafter specified by such bidder. Notwithstanding any post-bid adjustment, and provided the County will receive at the time of delivery of such Bonds an amount which together with the amount of the good faith deposit theretofore received is at least equal to the par amount of the Bonds, the County will hold constant, on a per Bond basis, the successful bidder's underwriting spread with respect to such Bonds. However, the award shall be made to the bidder whose bid produces the lowest true interest cost rate solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.**

The Bonds will be issued pursuant to the Constitution and statutes of the State of New York, including, among others, Local Finance Law and a bond resolution dated August 7, 2018, adopted by the County Legislature of the County for the purpose of financing the various public purposes in the respective amounts for each such purpose as described in the Preliminary Official Statement circulated in connection with the sale of the Bonds (the "Preliminary Official Statement"). See "THE BONDS-Authority for and Purposes of the Bonds" in the Preliminary Official Statement.

The Bonds maturing on or prior to October 1, 2026 shall not be subject to redemption prior to maturity. The Bonds maturing on or after October 1, 2027 will be subject to redemption prior to maturity, at the option of the County, on any date on or after October 1, 2026, in whole or in part, and if in part in any order of their maturity and in any amount (in denominations of

\$5,000 or any integral multiple thereof) within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County. Notice of such call for redemption shall be given by mailing such notice to the registered owner(s) of the Bonds to be redeemed not more than sixty (60) days nor less than thirty (30) days prior to the proposed redemption date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Bonds will be issued in registered form by means of a book-entry system with no physical distribution of bond certificates made to the public. Alternatively, at the option of the winning bidder, the Bonds may be registered in the name of the purchaser thereof.

If the Bonds are registered in the name of the purchaser, the principal of and interest on the Bonds will be payable in Federal Funds at the office of the County Treasurer, Lockport, New York. In such case, the Notes will be issued in registered form in denominations of \$5,000, or multiples thereof (with the exception of one necessary odd denomination in excess of \$5,000 maturing in 2019), as may be determined by such successful bidder(s).

If the Bonds are issued in book entry form, one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any integral multiple thereof for any single maturity (with the exception of one necessary odd denomination in excess of \$5,000 maturing in 2019), with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., its nominee. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the County determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the County will discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully registered certificates (see "THE BONDS-Book-Entry-Only-System" and "THE BONDS-Certificated Bonds" in the Preliminary Official Statement).

THE COUNTY RESERVES THE RIGHT TO CHANGE THE TIME AND/OR DATE FOR THE OPENING OF THE 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 BOND SALE TO BE TRANSMITTED OVER TM3.

The Bonds will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Each bid must be for all of said \$5,438,800 Bonds and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all Bonds maturing in any one calendar year, and (ii) all rates of interest bid must be stated in a multiple of one-eighth of one percentum or one-hundredth of one percentum per annum.

Unless all bids are rejected, the award will be made to the bidder complying with the terms of sale and offering to purchase said Bonds at such rate or rates of interest which will produce the lowest interest cost computed in accordance with the true interest cost method of calculation, that being determined 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 said payments equals the price bid, such price bid excluding interest accrued to the date of delivery. The true interest cost shall be calculated from the dated date of the Bonds. If two or more such bidders offer to purchase the Bonds at the same true interest cost, computed as described above, the Bonds will be awarded to the bidder whose bid offers to purchase the Bonds at the highest premium dollar amount. The successful bidder must also pay an amount equal to the interest on

the Bonds, if any, accrued to the date of payment of the purchase price. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Bond Sale will be rejected.

Each bid must either (i) be enclosed in a sealed envelope and should be marked on the outside "Proposal for Bonds" and addressed as follows: Kyle R. Andrews, County Treasurer of the County of Niagara c/o Capital Markets Advisors, LLC, 4211 N. Buffalo Road, Suite 19, Orchard Park, NY 14127, (ii) be received via facsimile transmission at (716) 662-6684, or (iii) be submitted electronically via Parity. No other form of electronic bidding service nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Bidders submitting proposals via facsimile must use the "Proposal for Bonds" form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the County, each bid will constitute an irrevocable offer to purchase the bonds pursuant to the terms therein provided.

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 bonds, a bidder represents and warrants to the County that such bidder's bid for the purpose of the bonds is submitted for and on behalf of such prospective bidder by an offer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the bonds.

Each prospective bidder who wishes to submit electronic bids 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 County 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 County 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 County is using Parity as a communications mechanism, and not as the County's agent, to conduct the electronic bidding for the County's bonds. The County is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Bond 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 County 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 bonds, it should telephone Parity and notify the County's financial advisor, Capital Markets Advisors, LLC, at (716) 662-3910 (provided that the County shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Bond Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, the provisions of this Notice of Bond Sale shall control. Further, information about Parity, including any fee charged, may be obtained from Parity at (212) 848-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Each bidder must, as a condition precedent to the consideration of its bid, deposit with its bid a certified or cashier's check, a wire transfer or a financial surety bond in the amount of \$108,776, as a good faith deposit (the "Deposit") to secure the County against loss resulting from the failure of the bidder to comply with the terms of its bid. If a certified or cashier's check is used, it must be drawn upon an incorporated bank or trust company located in the State, payable to the order of "County of Niagara, New York" and be enclosed with the bid. The check deposited by the bidder to whom the Bonds are awarded will be retained by the County and the amount thereof shall be applied as provided by law. No interest will be allowed upon the amount of the deposit made by the successful bidder. The purchaser must pay accrued interest from the dated date of Bonds to the date of delivery thereof, if any. If a wire transfer is used, it must be sent to the account so designated by the County for such purpose, not later than 10:00 a.m. on the date of the sale; however, the County reserves the right to award the Bonds to a successful bidder whose wire transfer is initiated but not received by such time provided that such successful bidders fed wire reference number has been received. A wire reference number must be provided on the "Proposal for Bonds" when submitted. Bidders must contact Capital Markets Advisors, LLC, 4211 N. Buffalo Road, Suite 19, Orchard Park, NY 14127 (tel: (716) 662-3910) no later than 24 hours prior to the sale date to obtain the County's wire instructions.

When the successful bidder has been ascertained, all such Deposits will be promptly returned to the persons making them, except the Deposit of the successful bidder. Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but such successful bidder may not withdraw this proposal until after 2:00 p.m., New York time, of the day of such bid opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award, and if he refuses or neglects to pay the agreed price of the Bonds less the amount of the Deposit, such Deposit shall be forfeited to and retained by the County as liquidated damages for such neglect or refusal.

If the Bonds are issued in book-entry-only registered form, the Bonds will be executed and delivered in escrow to DTC, not less than 24 hours prior to the time set for the delivery thereof. It shall be the responsibility of the purchaser to verify the CUSIP numbers at such time. The closing will be held on or about October 2, 2018, at such place in Jersey City, New Jersey and on such business day, or at such other place and time as may be agreed upon with the successful bidder on or against receipt of Federal

Funds, in an amount equal to the par amount of such Bonds, plus the premium, if any, including accrued interest from the date of such Bonds to the date of delivery, if any, less the amount of the Deposit submitted with the bid.

As a condition of the purchasers obligation to accept delivery of and pay for the Bonds, the County will furnish without cost to the purchaser the following, dated as of the date of delivery and payment for the Bonds: (1) a closing certificate constituting receipt of the Bond proceeds, (2) a certificate signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the County, nor the title of any of the said officers to their respective offices, is being contested and that no authority or proceedings for the issuance of the Bonds has been revoked, (3) a certificate of the Treasurer of the County certifying that (a) as of the date of the Official Statement furnished by the County in relation to the Bonds (which Official Statement is deemed by the County to be final for purposes of Securities and Exchange Commission Rule 15c2-12, except for the omission therefrom of those items allocable under said Rule), the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the County is not guaranteed as to the accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his knowledge, since the date of the Official Statement and since the date of the sale of the Bonds, the County has engaged in no material transactions not in the ordinary course of affairs of the County and no material adverse change in the general affairs of the County or in its financial condition as shown in the Official Statement has occurred other than as disclosed in or contemplated by the Official Statement; (4) a tax and arbitrage certificate executed on behalf of the County which includes, among other things, covenants relating to compliance with the Code, with the owners of the Bonds that the County will, among other things (A) take all actions on its part necessary to cause interest on the Bonds not to be includable in 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 thereon, 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 any action which would cause interest on the Bonds to be includable in gross income of the owners thereof for Federal income tax purposes; and (5) an approving opinion as to the validity of the Bonds of Harris Beach PLLC, Rochester, New York, Bond Counsel. Reference is hereby made to the Preliminary Official Statement for a description of the scope of the Bond Counsel's engagement in relation to the issuance of the Bonds and the matters covered by such legal opinion. Furthermore, reference should be made to the information under the heading "LEGAL MATTERS" in the Preliminary Official Statement.

A Preliminary Official Statement has been prepared and disseminated by the County. The Preliminary Official Statement is deemed to be a "final official statement", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("SEC"), but is subject to (a) completion with certain price and other information to be made available by the successful bidder for the Bonds and (b) amendment. The Preliminary Official Statement, as so revised, will constitute the "final Official Statement". By the submission of a bid for the Bonds, the successful bidder contracts for the receipt of a reasonable number of copies of the final Official Statement within seven business days of the award of the Bonds. In order to complete the final Official Statement, the successful bidder must furnish on behalf of the underwriters of the Bonds the following information to Bond Counsel and the County by electronic or facsimile transmission or overnight delivery received by Bond Counsel and the County within 24 hours after the award of the Bonds: (a) initial offering prices or yields (expressed as percentages), (b) selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), (c) the identity of the underwriters if the successful bidder is part of a group or syndicate and (d) any other material information necessary for the final Official Statement, but not known to the County (such as the bidders purchase of credit enhancement). The County shall not be responsible or liable in any manner for the successful bidders determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder or failure to furnish such Official Statements as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of said County with respect to the preparation and delivery thereof.

In accordance with the requirements of SEC Rule 15c2-12, the County shall provide on the date of delivery of the Bonds a written undertaking to provide the annual financial information and operating data and notices of the occurrence of certain events, all as described in the Preliminary Official Statement under the heading "DISCLOSURE UNDERTAKING".

The Bonds are general obligations of the County. All the taxable real property within the County is subject to the levy of ad valorem taxes to pay the respective Bonds and interest thereon, subject to applicable statutory limits, sufficient to pay the principal of and interest on the Bonds (see "TAX LEVY LIMITATION LAW" in the Preliminary Official Statement). The State Constitution requires the County to pledge its faith and credit for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if at any time the County fails to make the required appropriations for annual debt service on the Bonds and certain other obligations of the County, a sufficient sum shall be set apart from the first revenues thereafter

received and shall be applied for such purposes; also that the fiscal officer of the County may be required to set apart and apply such revenues as aforesaid at the suit of any holder of the Bonds.

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the successful bidder to obtain CUSIP numbers for the Bonds prior to delivery and the County will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the successful bidder to obtain such numbers and supply them to the County in a timely manner. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

If the Bonds qualify for 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 insurance of the bids 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 said Bonds in accordance with the terms of its proposal.

In the event that prior to the delivery of the Bonds, the income received by private holders from bonds of the same type and character shall be includable in gross income for Federal income tax purposes, the successful bidder may at its election, be relieved of its obligations under the contract to purchase the Bonds, and in such case, the deposit accompanying his bid will be returned.

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 U.S. Treasury Regulation Section 1.148-1(f)(3)(i), including the requirement that bids be received from at least three (3) underwriters (as defined below) 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 (collectively, the "Initial Reoffering Prices") as of the date of the award.

By submitting a bid, each bidder (unless such bidder would be purchasing the Bonds for its own account and not with a view to distribution or resale to the public (as defined below)) (i) represents that it has an established industry reputation for underwriting new issuances of municipal bonds, and (ii) agrees that if it is the winning bidder and the Competitive Sale Requirements are not met, it will, with respect to each maturity of the Bonds, elect and satisfy either option (1) or option (2) described below. ***Such election must be made on the bid form submitted by each bidder. In the event a bidder submits a bid via Parity, such bidder must notify the Municipal Advisor by email (rganci@capmark.org) as to such election at the time such bid is submitted. If no election is made, then the bidder will be deemed to have elected option (1) below for all maturities of the Bonds.***

(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 Municipal Advisor 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 any Bonds within a maturity to any person 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 (10%) 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 (5th) business day after the date of the award of the Bonds, and

(c) has or will include or cause to be included within any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which either the winning bidder or another member of any underwriting syndicate established by the winning bidder for the Bonds is a party) relating to the initial sale of the Bonds to the public, and in the related pricing wire, 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 the Bonds at the Initial Reoffering Prices and provide the Municipal Advisor 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 Municipal Advisor and Bond Counsel information regarding the actual prices at which at least ten percent (10%) of the Bonds within each maturity of the Bonds have been sold to the public,

(c) will provide the Municipal Advisor 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 (10%) of each maturity of the Bonds has been sold to the public, and

(d) has or will include or cause to be included within any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which either the winning bidder or another member of any underwriting syndicate established by the winning bidder for the Bonds is a party) relating to the initial sale of the Bonds to the public and in the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” and “follow the price” requirements, a “maturity” refers to the 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 Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Bonds stating the applicable facts as described above.

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 Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

The form of Reoffering Price Certificate is available, upon request, by contacting Bond Counsel or the Municipal Advisor.

For purposes of this Notice of Bond Sale, the following terms shall have the following respective meanings:

(A) the “*public*” means any person other than an underwriter or a related party (as defined below) to an underwriter;

(B) an “*underwriter*” means (i) the winning bidder (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public), (ii) any person that agrees pursuant to a written contract with the winning bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the public, and (iii) any person that agrees pursuant to a written agreement with either the winning bidder or any other member of an underwriting syndicate for the Bonds 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); and

(C) a “*related party*” (as defined in U.S. Treasury Regulation 1.150-1(b)) to an underwriter generally means any person who has greater than fifty percent (50%) common ownership, directly or indirectly, with such underwriter.

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 current population as estimated by the County is 216,469 (Source: 2010 U.S. Census). The Debt Statement to be filed pursuant to Section 109.00 of the Local Finance Law in connection with the sale of the bonds herein described, prepared as of September 13, 2018, will show the full valuation of the real estate subject to taxation by the County to be \$51,368,850,975, its debt limit to be \$719,163,914, and its total net indebtedness subject to the debt limit to be \$33,457,302. The indebtedness to be evidenced by the Bonds will increase the County’s net indebtedness subject to the debt limit by \$5,438,800. An Official Statement will be furnished to any interested bidder upon request.

The County’s contact information is as follows: Kyle R. Andrews, County Treasurer, County of Niagara, 59 Park Avenue, Lockport, New York 14094 (tel: (716) 439-7018; email: kyle.andrews@niagaracounty.com); or, from the County’s financial advisor, Capital Markets Advisors, LLC (tel: (716) 662-3910).

DATED: September 13, 2018
Lockport, New York

Kyle R. Andrews, County Treasurer
County of Niagara

Copies of the Notice of Bond Sale and the Preliminary Official Statement may be obtained upon request from the offices of Capital Markets Advisors, LLC, 4211 North Buffalo Road, Suite 19, Orchard Park, NY 14127 (tel: (716) 662-3910; facsimile number: (716) 662-6684; email: rganci@capmark.org; website: <http://www.capmark.com>).

**PROPOSAL FOR
COUNTY OF NIAGARA, NEW YORK
\$5,438,800* GENERAL OBLIGATION SERIAL BONDS FOR VARIOUS IMPROVEMENTS, 2018**

Kyle R. Andrews, County Treasurer
County of Niagara
c/o Capital Markets Advisors, LLC
4211 N. Buffalo Road, Suite 19
Orchard Park, NY 14127

September 20, 2018

Dear Mr. Andrews:

For the \$5,438,800* GENERAL OBLIGATION SERIAL BONDS FOR VARIOUS IMPROVEMENTS, 2018 of the COUNTY OF NIAGARA, NEW YORK, described in the annexed Notice of Bond Sale, the terms of which are hereby made a part of this bid, we will pay par plus a premium of _____ Dollars (\$ _____) and accrued interest to date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest in the indicated multiples of 1/8th or 1/100th of one percent (1%) per annum, from their date until maturity at the respective rates per annum stated in the following table:

<u>Year of Maturity</u>	<u>Interest Rate</u>
2019	_____ %
2020	_____ %
2021	_____ %
2022	_____ %
2023	_____ %
2024	_____ %
2025	_____ %
2026	_____ %
2027	_____ %
2028	_____ %

Check ONE of the following:

We enclose herewith a certified or cashier's check for \$108,776, made payable to the order of County of Niagara, which check is to be returned to the undersigned if the bid is not accepted; otherwise to be applied as part payment for the Bonds, or to be retained by the County as and for liquidated damages in case we should not take up and pay for the Bonds in accordance with the terms of this Proposal and the Notice of Bond Sale.

We sent a Fed wire transfer of \$108,776 to the account of the District designated for such purpose in accordance with the Notice of Bond Sale and instructions provided by Capital Markets Advisors, LLC, the County's Municipal Advisor. The fed wire confirmation number is _____ at _____.

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Bond Sale, but not constituting any part of the foregoing Proposal for the purchase of \$5,438,800* Bonds under the foregoing Proposal:

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

*Preliminary, subject to change pursuant to the Notice of Bond Sale

(Continued on the next page)

**PROPOSAL FOR
COUNTY OF NIAGARA, NEW YORK
\$5,438,800* GENERAL OBLIGATION SERIAL BONDS FOR VARIOUS IMPROVEMENTS, 2018**

Please select one of the following*:

- We are not acting as an underwriter with respect to the Bonds, nor are we a related party to an underwriter with respect to the Bonds. 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, in accordance with the Notice of Sale, as follows*:
 - Hold the Price
 - Follow the Price

*In accordance with the Notice of Sale, unless the bidder would be purchasing the Bonds for its own account, by submitting a bid, the bidder represents that it has an established industry reputation for underwriting new issuance of municipal bonds.

**If no election is made, the bidder will be deemed to have elected "Hold the Price"

Signature

Name of Financial Institution

Address

Telephone Number

Fax Number

Email Address