

Capital Markets Advisors, LLC

Independent Municipal Advisors
4211 N. Buffalo Road, Suite 19
Orchard Park, New York 14127
Telephone (716) 662-3910 Fax (716) 662-6684

Office locations:

Elmira
Great Neck
Hopewell Junction
Orchard Park

July 19, 2017

Proposals may be submitted electronically via Parity or via facsimile transmission at (716) 662-6684 in accordance with this Term Sheet, on Tuesday, July 25, 2017 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: \$790,000 School District Bonds, 2017 (the “Bonds” or the “Obligations”) (SIB or Serial Bonds)

SALE DATE: **July 25, 2017**

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

DATE OF DELIVERY: August 3, 2017

DATE OF ISSUE: August 3, 2017

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>
2018	\$155,000
2019	155,000
2020	160,000
2021	160,000
2022	160,000

*Subject to adjustment, as described below.

INTEREST DUE: August 1, 2018 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: Total annual debt service shall be substantially level or declining over the five years. (The District reserves the right to revise principal amounts to achieve same).

SECURITY: 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 *ad valorem* 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).

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. 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.

GOOD FAITH DEPOSIT: None

LEGAL OPINION: Opinion of Hodgson Russ 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 Internal Revenue Code of 1986, as amended.

**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 a bond resolution dated July 11, 2017 that was adopted following a vote of the qualified voters of the District on May 16, 2017, authorizing the issuance of obligations of the District in an aggregate maximum amount of \$790,000 for the purchase of various school buses and similar vehicles 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 Sale Officer by lot from among all such bidders.

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

By submitting a bid, 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 10 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 10 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 10 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 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 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 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.

BOND RATING: The Obligation(s) are not rated.

Moody’s Investors Service has assigned an underlying rating of “Aa3” to the uninsured outstanding bonded indebtedness of the District.

ISSUER CONTACT: Jeffrey R. Petrus
Assistant Superintendent for Business and Support Services
Orchard Park Central School District
2240 Southwestern Blvd.
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
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Orchard Park, New York 14127
Attn: Rick Ganci
(716) 662-3910
rganci@capmark.org

BID PROPOSAL

Mr. David Nielsen
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

July 25, 2017

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

ORCHARD PARK CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK

\$790,000 SCHOOL DISTRICT BONDS, 2017

DATED: August 3, 2017

MATURITY DATE(S): August 1, 2018-2022

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

<u>Principal Due August 1st</u>	<u>Principal Amount Due</u>	<u>Principal Due August 1st</u>	<u>Principal Amount Due*</u>	<u>Rate</u>
2018	\$155,000	2018	\$155,000	_____%
2019	155,000	2019	155,000	_____%
2020	160,000	2020	160,000	_____%
2021	160,000	2021	160,000	_____%
2022	160,000	2022	160,000	_____%

*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.
- 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