

Capital Markets Advisors, LLC

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TERM SHEET

ISSUER:	Croton-Harmon Union Free School District (the "District") Westchester County, New York
ISSUE:	\$814,292 Bond Anticipation Notes For School Buses and Vehicles - 2017 (the "Notes")
SALE DATE:	October 4, 2017 (11:00 a.m. prevailing time)
DATE OF ISSUE:	October 19, 2017
DATE OF MATURITY:	October 19, 2018
DELIVERY:	Delivery of the Notes will be in Croton-on-Hudson, New York or Jersey City, New Jersey on or about October 19, 2017 or as otherwise mutually agreed upon by the District and the purchaser.
CALL FEATURE:	The Notes will not be subject to optional redemption prior to maturity.
LEGAL OPINION:	Provided by Hawkins Delafield & Wood LLP.
NATURE OF OBLIGATION:	The Notes are general obligations of the District and the faith and credit of the District shall be 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 sufficient to pay the principal of and interest on the Notes without limitation as to rate or amount.
FORM:	<p>The Notes will either be registered to the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as a book-entry note. Individual purchases of such registered book-entry Notes must be made in denominations of \$5,000, or integral multiples thereof.</p> <p>A single note certificate shall be delivered to the purchaser of any Notes requested as registered to the purchaser, and such note certificate shall bear a single rate of interest and shall be in a denomination equal to the aggregate amount awarded to such purchaser at such interest rate. Principal of and interest on the Notes will be payable in lawful money of the United States of America (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 purchaser.</p> <p>For any Notes issued as book-entry-only notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for the Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on the Notes will</p>

be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein.

CUSIP identification numbers will be printed on the book-entry-only Notes if Bond Counsel is provided with such number(s) by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Notes nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery and pay for the Notes in accordance with the terms hereof. 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 said numbers shall be the responsibility of and shall be paid for by the purchaser. If the Notes are issued in DTC-registered form, the District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser.

TAX-EXEMPT STATUS:

Upon delivery of the Notes, Hawkins Delafield & Wood LLP, Bond Counsel to the District, will deliver an opinion that substantially states that under existing statutes and court decisions and assuming continuing compliance with certain tax certifications, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, the opinion of Bond Counsel will state that, under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

THE DISTRICT WILL DESIGNATE THE NOTES AS A QUALIFIED TAX-EXEMPT OBLIGATION PURSUANT TO THE PROVISIONS OF SECTION 265(b)(3) OF THE CODE.

AUTHORITY FOR AND PURPOSE OF ISSUE:

The Notes shall be issued pursuant to the Constitution and the Laws of the State and bond resolutions duly adopted by the District's Board of Education on various dates for the purchase of buses and vehicles. The proceeds of the Notes, together with \$283,107 of available funds, will be used to redeem \$809,942 Bond Anticipation Notes For School Buses - 2016 maturing on October 20, 2017 and provide \$287,458 of new money; as specified below.

Original Issue Date	Purpose	Amount Outstanding	Note Paydown	New Money	Amount of the Note
10-24-12	School Buses	\$ 63,413	\$ 63,412	\$ 0	\$ 0
10-23-13	School Buses	125,697	62,849	0	62,848
10-22-14	Various Vehicles & Equipment	168,600	56,200	0	112,400
10-21-15	Various Vehicles	204,000	51,000	0	153,000
10-20-16	School Buses	248,232	49,646	0	198,586
10-19-17	School Buses & Vehicles	0	0	287,458	287,458
		<u>\$809,942</u>	<u>\$283,107</u>	<u>\$287,458</u>	<u>\$814,292</u>

BIDDING REQUIREMENTS:

Bids must be made for all of the Notes and must state in a multiple of one-hundredth or one-eighth of 1% a rate of interest per annum which such Notes shall bear. The Notes will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of said bidders selected by lot from among all said bidders.

The right is reserved to reject any or all bids and any bid not complying with the terms of this term sheet will be rejected. Conditional bids will not be accepted.

**OBLIGATION OF WINNING
BIDDER 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 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 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 10 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 5th 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 Issuer 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 Issuer information regarding the first price that at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,
- (c) will provide the Issuer 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 the requirement set forth in paragraph (b) above for each maturity of the Notes is satisfied, 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 Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

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 Reoffering 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.

OFFICIAL STATEMENT:

The District has not prepared an Official Statement in connection with the sale of the Notes.

**FINANCIAL
STATEMENTS:**

The most recent audit of the District can be accessed on the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or upon request to Capital Markets Advisors, LLC, the District’s Municipal Advisor, at (845) 227-8678.

BOND RATING:

The District will not apply for a rating of the Notes. The District’s outstanding uninsured bond debt is rated “Aa2” by Moody’s Investors Service (“Moody’s”).

ISSUER CONTACT:

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MUNICIPAL ADVISOR:

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BOND COUNSEL:

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Dated: September 27, 2017

PROPOSAL FOR NOTES

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President of the Board of Education
Croton-Harmon Union Free School District
C/O Capital Markets Advisors, LLC
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CROTON-HARMON UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

\$814,292
BOND ANTICIPATION NOTES FOR SCHOOL BUSES AND VEHICLES - 2017
(the "Notes")

DATED: October 19, 2017

MATURITY DATE: October 19, 2018

	Amount	Interest Rate	Premium	Net Interest Cost
Bid 1	\$ 814,292	%	\$	%

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 bidder):

- Book-Entry-Only registered to Cede & Co.
- Registered in the name of the bidder

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 computation of the net interest cost is made as provided in the above-mentioned Notice of Sale, but does not constitute any part of the foregoing Proposal for the purchase of the Notes therein described.

Form of Note: **Book-Entry-Only or Registered to Purchaser**
(circle one)

Signature: _____

Name of Bidder: _____

Company: _____

Address of Bidder: _____

Tel. (Area Code): _____ Fax (Area Code): _____