

Capital Markets Advisors, LLC

Independent Financial Advisors

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Faxed or Parity bids are requested by Capital Markets Advisors, LLC for the Village of Croton-on-Hudson, Westchester County, New York, on **Wednesday, November 28, 2018** by 11:00 AM for a fifteen-year bond issue that will be structured either as a statutory installment bond (“SIB”) or as serial bonds:

TERM SHEET

ISSUER: Village of Croton-on-Hudson (the “Village”)
Westchester County, New York

ISSUE: \$714,000* Public Improvement (Serial) Bonds, 2018 (the “Bonds”)

* The aggregate par amount of bonds may be decreased in an amount not in excess of the premium offered by the successful bidder and the amount of each annual maturity, as set forth herein, may be adjusted to the extent necessary, in order that the total proceeds, which include the total par amount of the Bonds plus the original issue premium, if any, received by the Village, does not exceed the maximum amount permitted under applicable provisions of the Internal Revenue Code of 1986, as amended. Such adjustments will be made within twenty-four (24) hours following the opening of the bids. 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 and shall be binding upon the successful bidder.

SALE DATE: November 28, 2018 (11:00 a.m. prevailing time)

DATE OF DELIVERY: December 13, 2018

DATE OF ISSUE: December 13, 2018

TYPE OF OBLIGATION(S): Either a statutory installment bond (“SIB”) (“local” closing only) or serial bonds (“local” or Depository Trust Company (“DTC”) closing). Bonds shall be issued as registered instruments.

DATE(S) OF MATURITY:

<u>Principal Due</u> <u>October 1 ⁽¹⁾</u>	<u>Principal</u> <u>Amount Due</u>
2019	\$29,000
2020	40,000
2021	40,000
2022	40,000
2023	45,000
2024	45,000
2025	45,000
2026	50,000
2027	50,000
2028	50,000
2029	50,000
2030	55,000
2031	55,000
2032	60,000
2033	60,000

(1) The principal maturities of the Bonds are subject to adjustment following their sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

INTEREST DUE: October 1, 2019 and annually thereafter on October 1 (in the case of a SIB); or October 1, 2019 and 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.

CALL FEATURE: The Bonds are non-callable.

FORM AND DELIVERY: DTC (serial bonds) or one physical certificate (SIBs).

GOOD FAITH DEPOSIT: None.

LEGAL OPINION: Provided by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York.

WINNING BIDDER

CERTIFICATE REQUIREMENTS: Following the sale of the bonds, on the Sale Date, the successful bidder will be required to provide to the Village and its Bond Council certain information regarding the reoffering price to the public of the bonds. If the winning bidder is purchasing the bonds for its own account and not with a view to distribute or resale, they should inform the municipal advisor at the time of award and a certificate to that effect will be required on or before closing. Otherwise, the successful bidder also must submit to the Village a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, dated as of the day of the delivery of the bonds, which assuming three bids from underwriters are received, states:

(a)(i) on the date of award, such successful bidder made a bona fide public offering of the bonds at the initial offering price corresponding to the price or yield indicated in the information furnished in connection with the successful bid, and (ii) as of such date, the first price or yield at which an amount equal to at least ten percent of the bonds was reasonably expected to be sold to the public was, respectively, a price not higher or a yield not lower than indicated in the information furnished with the successful bid (the “first price rule”), and (iii) provides a copy of the pricing wire or equivalent communication for the bonds attached to the Reoffering Price Certificate. The term “public” as used herein means any persons including an individual, trust, estate, partnership, association, company or corporation (other than the successful bidder(s) or a related party to the successful bidder(s), being two or more persons who have greater than 50% common ownership directly or indirectly, or any person that agrees pursuant to a written contract or other agreement with a successful bidder to participate in the initial sale of the bonds to the public). (b) the successful bidder was not given the opportunity to review other bids prior to submitting its bid. (c) the bid submitted by the successful bidder constituted a firm offer to purchase the bonds.

In the event that at least three bids are not received by the Village on the Sale Date, and at least ten percent of the bonds have been sold on the Sale Date, the successful bidder shall certify as to the first price or yield at which ten percent of the bonds was sold in accordance with the first price rule and provide a copy of the pricing wire or equivalent communication.

In addition, in the event that (1) at least three bids are not received by the Village on the Sale Date, and (2) 10% of the bonds have not been sold on the Sale Date, the successful bidder (and any members of its underwriting group or syndicate) shall have the option (i) to provide to the Village (or its agents) ongoing pricing information, together with reasonable supporting documentation acceptable to bond counsel (such as the pricing wire), until 10% of the bonds is sold (the “Follow-the-Price Requirement”), or (ii) shall be required to hold the initial reoffering price to the public of such bonds (as reported to the Village on the Sale Date) for the lesser of five (5) business days after the Sale Date or the date on which at least 10% of such bonds are sold (the “Hold-the-Offering-Price Requirement”). A certification as to

the details of compliance with this requirement shall be part of the Reoffering Price Certificate.

The Village or its Municipal Advisor on its behalf shall advise the successful bidder on the Sale Date as to whether at least three bids were received. Delivery of a bid shall constitute the bidder's agreement to comply with the Hold-the-Offering-Price Requirement or the Follow-the-Price Requirement of this Notice of Sale and to certify to compliance therewith under the circumstances described herein.

Such certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation.

TAX STATUS OF BONDS:

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The Bonds WILL be designated and qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

NATURE OF OBLIGATION:

The Bonds are general obligations of the Village and the faith and credit of the Village shall be pledged for payment of the principal of and interest on the Bonds. All the taxable real property in the Village will be subject to the levy of ad valorem taxes, sufficient to pay the principal of and interest on the Bonds, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011.

DELIVERY:

Local or via DTC. If issued 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. Individual purchases of such registered Bonds must be made in denominations of \$5,000 or integral multiples thereof, except for one odd denomination which includes \$9,000. 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.

**AUTHORITY FOR AND
PURPOSE OF ISSUE:**

The Bonds shall be issued pursuant to the Constitution and the Laws of the State, including the Local Finance Law, and various resolutions adopted by the Village Board of Trustees. Certain details of the Bonds will be prescribed by certificates of the Village Treasurer executed pursuant to powers delegated to fix terms, form and contents of the Bonds and to provide for the sale thereof. The proceeds of the Bonds will provide original financing for Village improvements as set forth below:

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount of The Bonds</u>
06-04-18	Ambulance	\$204,000
06-04-18	Firehouse Renovations	76,500
06-04-18	Municipal Garage - Demolition	255,000
06-04-18	Municipal Garage – Renovation	<u>178,500</u>
		<u><u>\$714,000</u></u>

PROPOSAL REQUIREMENTS:

The proposal price must be for the total Bonds and must state, in a multiple of one-hundredth or one-eighth of 1%, a single rate of interest that the Bonds shall bear (if SIB structure is chosen) or the rate(s) of interest that each maturity of serial bonds shall bear (if serial bonds are chosen). 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 true interest cost, and if two or more such bidders offer the same lowest true 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 the proposal should it not comply with the terms of this notice.

BID SUBMISSIONS:

Proposals may be submitted electronically via Parity or via facsimile transmission at (845) 227-6154, in accordance with this Term Sheet, until the time specified herein. No other form of electronic bidding services or 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 “Bid Proposal” form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided.

Prospective bidders wishing to submit electronic bids via Parity must be contracted customers of Parity. If you do not have a contract with Parity, please call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the Village that such bidder's bid for the purchase of the Bonds 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 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 Term Sheet. Neither the Village 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 Village 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 Village is using Parity as a communications mechanism, and not as the Village's agent, to conduct the electronic bidding for the Bonds. The Village is not bound by any advice or determination of Parity as to whether any bid complies with this Term Sheet. 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 Village 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 Village's Municipal Advisor, Capital Markets Advisors, LLC at (845) 227-8678 (provided that the Village shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Term Sheet shall conflict with information provided by Parity, as 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.

OFFERING STATEMENT:

The Village has **not** prepared an official statement in connection with the sale of the Bonds. Financial data is available from the Village's Municipal Advisor (see below) upon request.

BOND RATING:

The Bonds are not rated. The Village's outstanding uninsured bond debt is rated "Aa2" by Moody's Investors Service ("Moody's").

ISSUER CONTACT:

(Paying Agent)

Ms. Sandra Bullock
Treasurer
Village of Croton-on-Hudson
1 Van Wyck Street
Croton-on-Hudson, NY 10520
Attn: Ms. Sandra Bullock, Village Treasurer
Phone: (914) 271-2034
E-Mail: sbullock@crotononhudson-ny.gov

BOND COUNSEL:

Douglas E. Goodfriend, Esq.
Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019-6142
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MUNICIPAL ADVISOR:

Ms. Beth Ferguson
Capital Markets Advisors, LLC
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Hopewell Junction, NY 12533
Phone: (845) 227-8678
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DATED: November 19, 2018

PROPOSAL FOR BONDS

November 28, 2018

Sandra Bullock
Village Treasurer
Village of Croton-on-Hudson
c/o Capital Markets Advisors, LLC
822 Route 82, Suite 310
Hopewell Junction, New York 12533

Tel: (845) 227-8678
Fax: (845) 227-6154

Subject to the provisions and in accordance with the terms of the annexed Term Sheet dated November 15, 2018, which is hereby made a part of this Proposal, we offer to purchase all of the \$714,000* Public Improvement (Serial) Bonds, 2018 of the Village of Croton-on-Hudson, New York, described in this Term Sheet, and to pay therefore the price of \$714,000* plus a premium of \$ _____, plus interest, if any, accrued on said Bonds from their date to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Bonds maturing on October 1, in the year 2019, at _____%	Bonds maturing on October 1, in the year 2027, at _____
Bonds maturing on October 1, in the year 2020, at _____%	Bonds maturing on October 1, in the year 2028, at _____
Bonds maturing on October 1, in the year 2021, at _____%	Bonds maturing on October 1, in the year 2029, at _____
Bonds maturing on October 1, in the year 2022, at _____%	Bonds maturing on October 1, in the year 2030, at _____
Bonds maturing on October 1, in the year 2023, at _____%	Bonds maturing on October 1, in the year 2031, at _____
Bonds maturing on October 1, in the year 2024, at _____%	Bonds maturing on October 1, in the year 2032, at _____
Bonds maturing on October 1, in the year 2025, at _____%	Bonds maturing on October 1, in the year 2033, at _____
Bonds maturing on October 1, in the year 2026, at _____%	

Please select one of the following:

- Serial Bond (Local Closing)
- Serial Bond (DTC)
- Statutory Installment Bond (Local Closing)

THERE IS NO GOOD FAITH DEPOSIT REQUIRED FOR THE BONDS.

The following is our computation of the true interest cost, made as provided in the above-mentioned Term Sheet, but not constituting any part of the foregoing Proposal for the purchase of \$714,000* Bonds under the foregoing Proposal:

Par Amount of the Bonds.....\$ _____

Add:

Premium.....\$ _____

Accrued Interest.....\$ _____

Target Value for Calculation.....\$ _____

True Interest Rate..... _____%

(four decimals)

By: _____

Firm: _____

Telephone () _____ - _____

* Preliminary, subject to change.