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TERM SHEET

ISSUER: Valhalla Union Free School District, Westchester County, New York (the “District”)

ISSUE: \$375,000 Bond Anticipation Notes – 2024 Series A (the “Notes”)

SALE DATE: February 15, 2024

SALE TIME: 11:00 AM (Eastern Time)

DATED DATE: February 28, 2024

DELIVERY: Delivery of the Notes will be through the offices of The Depository Trust Company (“DTC”) or as otherwise mutually agreed upon by the District and the purchaser, on or about February 28, 2024.

MATURITY DATE: June 20, 2024

BANK QUALIFICATION: The Notes **will** be designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

NO PRIOR REDEMPTION: The Notes are **not** subject to optional redemption prior to maturity.

LEGAL OPINION: To be provided by Hawkins Delafield & Wood LLP, Bond Counsel, the form of which is attached hereto as **Exhibit A**.

TAX TREATMENT: The opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, shall state that under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described in the Tax Certificate executed by the District, (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 under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, the opinion of Bond Counsel to the District shall also state that under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

SECURITY FOR THE NOTES: The Notes when duly issued and paid for will constitute a contract between the District and the holder thereof. The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law, imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such year-to-year increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes), and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limit Law. The exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

**AUTHORITY FOR
AND PURPOSE OF
ISSUE:**

The Notes are being issued pursuant to a bond resolution adopted by the Board of Education of the District on January 23, 2024, authorizing the construction of various improvements to District buildings and sites. The Notes will provide the initial original financing for such project.

**BIDDING
REQUIREMENTS:**

Sealed proposals, telephone proposals, fax proposals and proposals via iPreo's Parity Electronic Bid Submission System ("Parity") will be received at the place and time on the Sale Date as herein indicated, for the purchase at not less than par and accrued interest of the Notes as herein described. No other form of electronic bidding services will be accepted. The number for telephone proposals is (516) 570-0340. The number for FAX proposals is (516) 487-2575. Bidders submitting proposals via facsimile must use the "Proposal for Notes" form attached hereto.

Proposals may be submitted in accordance with this Term Sheet until the time specified herein. No proposal will be accepted after the time for receiving proposals specified above. Any proposal received by the time for receiving proposals specified herein, which have not been modified or withdrawn by the bidder, including those communicated electronically via Parity, shall constitute an irrevocable offer to purchase the Notes pursuant to the terms herein and therein provided. Bidders shall not submit a bid that modifies the terms contained in this Term Sheet or adds additional conditions not set forth in the Term Sheet.

The District reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this Term Sheet and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

The timely delivery of all proposals submitted by facsimile transmission (FAX) must be in legible and complete form, signed by an authorized representative of the bidder(s), and shall be the sole responsibility of the bidder(s). The District shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids submitted in such manner.

Bids must be made for all of the Notes. Each bid must state: (i) the principal amount of the Notes to be purchased pursuant to such bid and (ii) in a multiple of one-hundredth (1/100th) or one-eighth (1/8th) of one percent, a rate of interest per annum which the Notes bid shall bear. Interest will be calculated on the basis of a 30-day month and 360-

day year. Each bid submitted must comply with the foregoing requirements. Conditional bids will be rejected.

If a facsimile bid is submitted, such bid must be made on the "Proposal for Notes" accompanying the Term Sheet.

Unless all bids are rejected, 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. If two or more such bidders offer the same lowest net interest cost, then the Notes will be awarded and sold to one of said bidders selected by the District's School Business Administrator by lot from among all said bidders. The right is further reserved by the District to reject any or all bids, and any bid not complying with this Term Sheet will be rejected.

Award of the Notes is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw its proposal until two (2) hours after the time set forth above on the day of such bid opening and then only if such award has not been made prior to the withdrawal.

**BIDDING USING
PARITY:**

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 Notes, a bidder represents and warrants to the District that such bidder's bid for the purchase of the Notes 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 Notes.

Each prospective bidder who wishes to submit an electronic bid 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 District 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 District 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 District is using Parity as a communications mechanism, and not as the District's agent, to conduct the electronic bidding for the District's Notes. The District is not bound by any advice or determination of Parity as to whether any bid complies with the terms of 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 District 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 Notes, it should telephone Parity and notify the District's Municipal Advisor, Capital Markets Advisors, LLC at (516) 570-0340 (provided that the District 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.

FORM OF NOTES:

At the option of the purchaser, the Notes will be issued in (i) registered form registered in the name of the successful bidder or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for DTC.

If the Notes are registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those 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 said Notes will 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. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

CUSIP identification numbers will be printed on the book-entry only notes if Bond Counsel is provided with such number by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note 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. It shall be the responsibility of the purchaser to obtain CUSIP numbers for the Notes within one day after the Sale Date. The District will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of the purchaser to obtain such numbers and to supply them to the District in a timely manner. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser; however, all expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the District. For those Notes issued in registered form, the District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser.

**ISSUE PRICE
CERTIFICATE:**

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 notes who have established industry reputations for underwriting new issuances of municipal notes (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. The District’s most recent official statement is dated November 19, 2020, and was prepared in connection with the issuance of \$2,051,768 Bond Anticipation Notes – 2020. A copy of that Official Statement is available upon request to Capital Markets Advisors, LLC, the District’s Municipal Advisor, at (516) 570-0340.

Please be advised that certain financial information and operating data, as well as information regarding certain material events that may occur from time to time, are filed by the District with respect to its bonds, in satisfaction of certain continuing disclosure undertaking agreements entered into pursuant to Securities and Exchange Rule 15c2-12, by periodically filing such information with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system, currently found at <http://emma.msrb.org/>.

A link to the District’s Audited Financial Statements for the fiscal year ended June 30, 2023 on EMMA is as follows: <https://emma.msrb.org/P21782866.pdf> .

CREDIT RATING:

The District has not applied to Moody’s Investors Service, Inc. (“Moody’s”) for a rating on the Notes. On March, 24, 2021, Moody’s affirmed the District’s underlying credit rating of “Aa1”.

BOND COUNSEL:

Hawkins Delafield & Wood LLP
William Jackson, Esq.
Tel: (212) 820-9620; Fax: (212) 344-6258
wjackson@hawkins.com

**MUNICIPAL
ADVISOR:**

Capital Markets Advisors, LLC
Janet Morley, Senior Vice President
Tel: (516) 570-0340; Fax: (516) 487-2575
jmorley@capmark.org

**ISSUER/
PAYING AGENT:**

Valhalla Union Free School District
316 Columbus Avenue
Valhalla, New York 10595

Miriam Dobbs, School Business Administrator
Tel: (914) 683-5040
mdobbs@valhallaschools.org

DATED:

February 6, 2024

PROPOSAL FOR NOTES

President of the Board of Education
Valhalla Union Free School District
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021

TELEPHONE: (516) 570-0340

FACSIMILE: (516) 487-2575

**VALHALLA UNION FREE SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

**\$375,000 BOND ANTICIPATION NOTES – 2024 SERIES A
(the "Notes")**

DATED: February 28, 2024

MATURITY: June 20, 2024

	Amount	Interest Rate	Premium	Net Interest Cost*
Bid	\$ 375,000.00	%	\$	%

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.
- Non Book-Entry Registered to Purchaser

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 Offering Price Requirement
 - Follow the Offering Price Requirement

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

Signature: _____

Name of Bidder: _____

Address: _____

Telephone (Area Code): _____

Fax (Area Code): _____

EXHIBIT A

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center, 41st floor
New York, New York 10007

February 28, 2024

The Board of Education of the
Valhalla Union Free School District, in the
County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Valhalla Union Free School District (the “School District”), in the County of Westchester, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$375,000 Bond Anticipation Note-2024 Series A (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note 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 Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. 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.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

Hawkins Delafield & Wood LLP