

Capital Markets Advisors, LLC

Independent Financial Advisors

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Office locations:

Long Island

Western New York

Hudson Valley

Southern Tier

To: NorthEast Community Bank
From: Anthony Nash
Re: Town of Palm Tree, New York
Date: August 9, 2019

TERM SHEET

ISSUER: Town of Palm Tree (the “Town”)
Orange County, New York

ISSUE: \$1,170,000 Bond Anticipation Notes – 2019 (Federally Taxable)
(the “Notes”)

PRICING DATE: August 20, 2019

DATED DATE: August 29, 2019

DATE OF DELIVERY: August 29, 2019

MATURITY SCHEDULE: Principal due on August 27, 2021.

INTEREST PAYMENTS: Payable annually on August 27, commencing August 27, 2020.

DELIVERY: As mutually agreed upon by the Town and the purchaser.

BIDDING REQUIREMENTS: Bids must be made for all of the Notes and must state in a multiple of one-hundredth of 1% or one-eighth of 1% a rate of interest per annum which such Notes shall bear.

AUTHORITY FOR AND PURPOSE OF ISSUE: The Notes shall be issued pursuant to the Constitution, the Laws of the State, including among others, the Town Law and Local Finance Law and a bond resolution duly adopted by the Town Board on August 2, 2019 authorizing the issuance of bonds or notes in the amount of \$1,300,000 to fund the acquisition of a parcel of property at 214 Nininger Road in the Town of Monroe, New York.

OPTIONAL REDEMPTION: The Notes will not be subject to optional redemption prior to their stated maturity.

TAX STATUS: In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, interest on the Notes is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). In the opinion of Bond Counsel,

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.

- LEGAL OPINION:** To be provided by Hawkins Delafield & Wood LLP, Bond Counsel in substantially the form appearing as Exhibit A.
- INVESTOR'S LETTER:** The Purchaser shall be required to execute and deliver an Investor's Letter substantially in the form attached hereto as Exhibit B.
- CREDIT RATING:** The Notes are not rated.
- ISSUER:** Mr. Abraham Wieder
Supervisor
Town of Palm Tree
P.O. Box 568
Monroe, NY 10949
- ISSUER CONTACT:** Mr. Moishe Gruber
Telephone: (845) 783-8300 x211
- BOND COUNSEL:** Hawkins Delafield & Wood, LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attention: Robert Smith, Esq.
Telephone: (212) 820-9662
- MUNICIPAL ADVISOR:** Anthony Nash
Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021
Telephone: (516) 487-9817
Fax: (516) 487-2575

Dated: August 9, 2019

PROPOSAL FOR NOTES

Town Supervisor
Town of Palm Tree
c/o Capital Markets Advisors, LLC
11 Grace Avenue, Suite 308
Great Neck, New York 11021

TELEPHONE: (516) 487-9817

FACSIMILE: (516) 487-2575

TOWN OF PALM TREE
ORANGE COUNTY, NEW YORK

\$1,170,000 BOND ANTICIPATION NOTES – 2019 (FEDERALLY TAXABLE)

(the “Notes”)

DATED: August 29, 2019

MATURITY: August 27, 2021

	Amount	Interest Rate	Premium	Net Interest Cost
Bid	\$ 1,170,000	%	\$	%

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.

Signature: _____

Name of Bidder: _____

Address: _____

Telephone (Area Code): _____

Fax (Area Code): _____

EXHIBIT A

[Hawkins Delafield & Wood LLP]

August __, 2019

The Board of Trustees of the
Town of Palm Tree, in the
County of Orange, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Palm Tree (the “Town”), in the County of Orange, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$1,170,000 Bond Anticipation Note– 2019 (Federally Taxable) (the “Note”) of the Town 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 Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. 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. Interest on the Note is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

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.

This letter does not address and no assurances are given as to the adequacy, sufficiency or completeness of any reports, correspondence, financial statements or other documents, containing financial, statistical and economic data, forecasts, numbers, estimates, projections, assumptions, expressions of opinion, or any other information relating to the Town, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

EXHIBIT B

Investor's Letter

August __, 2019

Abraham Wieder, Supervisor
Town of Palm Tree
P.O. Box 568
Monroe, New York 10949

Dear Mr. Wieder:

This letter is being delivered by NorthEast Community Bank, Monroe, New York (the "Purchaser"), in connection with the issuance by the Town of Palm Tree, New York (the "Town") of its \$1,170,000 Bond Anticipation Note-2019 (Federally Taxable) (the "Note"). The Purchaser has agreed to purchase the Note pursuant to the Term Sheet dated August 8, 2019. Capitalized terms used in this letter and not defined herein shall have the meanings provided to such terms in the Term Sheet. In connection with such purchase, the Town has requested and the Purchaser has agreed to execute and deliver this letter. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Note has not been registered pursuant to the Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state, nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Note (i) is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, and (iii) will not carry a rating from any rating service.
2. We have not offered, offered to sell, offered for sale or sold any portion of the Note by means of any form of general solicitation or general advertising, and we are not an underwriter of the Note within the meaning of Section 2(11) of the 1933 Act.
3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note.
4. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
5. The Purchaser is either a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act, or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.
6. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Note.

The Purchaser has made its own inquiry and analysis with respect to the Town, the Note and the security therefor, and other material factors affecting the security for and payment of the Note.

7. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Town, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Town, the Note and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Note.

8. The Note is being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Note, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors;

(c) that is a secured party, custodian or other entity in connection with a pledge by the Purchaser to secure public deposits or other obligations of the Purchaser or one of its affiliates to state or local governmental entities; or

(d) that the Purchaser reasonably believes to be a qualified institutional buyer or accredited investor and who executes an investor letter substantially in the form of this letter.

NorthEast Community Bank, as Purchaser

By: _____

Name and Title