

Capital Markets Advisors, LLC

Independent Financial Advisors

11 Grace Avenue, Suite 308

Great Neck, New York 11021

Telephone (516) 274-4501 Fax (516) 364-9501

Office locations:

Long Island

Western New York

Hudson Valley

Southern Tier

HEMPSTEAD UNION FREE SCHOOL DISTRICT Nassau County, New York \$43,000,000* Tax Anticipation Notes for 2019-2020 Taxes Term Sheet

- ISSUER:** Hempstead Union Free School District, Nassau County, New York
(the "District")
- ISSUE:** \$43,000,000* Tax Anticipation Notes for 2019-2020 Taxes (the "Notes")
- UNDERWRITER:** Oppenheimer & Co.
- PRICING DATE:** July 11, 2019
- DATE OF ISSUE:** July 19, 2019
- DATE OF MATURITY:** June 25, 2020
- COUPON RATE:** ___%
- DENOMINATIONS:** One hundred thousand (\$100,000) minimum denominations and five thousand (\$5,000) increments thereof.
- PLAN OF DISTRIBUTION:** The Notes are being offered to purchasers through a limited offering. Each purchaser, by placing an order for the purchase of the Bonds, will be deemed to have acknowledged that Oppenheimer & Co. is relying on the representations and warranties made by purchasers of the Notes so that the offering may qualify for the limited offering exemption of Section (d)(1) of Rule 15c2-12 ("Rule 15c2-12") of the Securities Exchange Act of 1934 (the "Exchange Act"). Each purchaser will be deemed to have made the representations and warranties set forth below.
1. Each purchaser has confirmed that the Notes will be acquired for investment for such purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such purchaser has no present intention of selling, granting any participation in, or otherwise distributing the Notes. By purchasing the Notes, each purchaser has further represented that such purchaser does not currently have any contract, undertaking, agreement, or arrangement with any person to sell, transfer, or grant participations to such person or to any third-party, with respect to any of the Notes.
 2. Each purchaser of the Notes has confirmed its understanding that the offering of the Notes is being made (a) in reliance on the limited offering exemption of Section (d)(1) of Rule 15c2-12 ("Rule 15c2-12") of the Securities Exchange Act of 1934 (the "Exchange Act"), and (b) without registration under, and in reliance upon an exemption from, the registration

*Preliminary, subject to change

requirements of the Securities Act of 1933, as amended (the “Securities Act”). Section (d)(1)(i) of Rule 15c2-12 provides that the rule will not apply to a primary offering of municipal securities in authorized denominations of \$100,000 or more, if such securities are sold to no more than thirty-five (35) persons each of whom the participating underwriter (or, with respect to the Notes, Oppenheimer & Co.) reasonably believes (1) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment and (2) is not purchasing for more than one account or with a view to distributing the securities.

- FORM:** Registered to Cede & Co. (DTC) as book-entry only notes.
- LEGAL OPINION:** Approving legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel, will be provided at closing. The form of opinion of bond counsel attached as Exhibit A.
- CALL FEATURE:** Non-callable.
- DESIGNATION:** The Notes will NOT be designated by the District as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
- AUTHORITY FOR AND PURPOSE OF ISSUE:** The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District on July 3, 2019 to finance cash flow requirements in anticipation of the collection of 2019-2020 real property taxes levied or to be levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes have been or are to be levied, as specified in the 2019-2020 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.
- Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2019-2020 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.
- NATURE OF OBLIGATION:** Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof. The Notes are 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 and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by the Tax Levy Limit Law.

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 therefore. However, Chapter 97 of the New York Laws of 2011, as amended (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 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, or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, including the Notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

- STATE INTERCEPT:** The Notes are eligible for the protections afforded by Section 99-b of the New York State Finance Law.
- DISCLOSURE INFORMATION:** The District will not deliver an official statement in connection with the sale of the Notes.
- BOND RATING:** The Notes are not rated. S&P rates the long term bonds of the District "A-".
- TAX STATUS:** 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. 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.
- ISSUE PRICE CERTIFICATE:** The underwriter has agreed to provide an executed Issue Price certificate, in a form acceptable to the District and Bond Counsel, at closing.
- ISSUER:** Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, NY 11550
Contact: Edward A. Cullen
School Business Consultant
(516) 434-4061
ecullen160@aol.com
- UNDERWRITER:** Oppenheimer & Co.
130 Bellevue Ave Suite 215
Newport, RI 02840

Contact: Allison F. Fleitas II
(401) 277-0109
Al.fleitas@opco.com

FINANCIAL ADVISOR:

Capital Markets Advisors, LLC
11 Grace Ave – Suite 308
Great Neck, NY 11021

Contact: Alexander Kerr
(516) 274-4501
akerr@capmark.org

BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street, 41st Floor
New York, New York 10007

Contact: Martin Geiger, Esq.
(212)-820-9406
mgeiger@hawkins.com

Contact: William J. Jackson, Esq.
(212)-820-9620
wjackson@hawkins.com