

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: November 26, 2019

TERM SHEET

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

ISSUE: \$2,070,000 Bond Anticipation Notes – 2019 Series B (the “Notes”)

PRICING DATE: December 4, 2019

DATED DATE: December 23, 2019

DATE OF DELIVERY: December 23, 2019

MATURITY SCHEDULE: Principal due on December 23, 2021.

INTEREST PAYMENTS: Payable annually on December 23, commencing December 23, 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 November 1, 2019 authorizing the issuance of bonds or notes in the amount of \$2,300,000 to fund the acquisition of a parcel of real property located on Route 208 in the Village of South Blooming Grove, New York.

OPTIONAL REDEMPTION: The Notes will be subject to redemption prior to maturity, at the option of the Town, on any date on or after December 23, 2020, in whole or in part, at the redemption price equal to the principal amount of the Notes to be redeemed, plus accrued interest to the date of redemption.

TAX-EXEMPT STATUS: The opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, 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 Town, (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 Town 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 Purchaser shall deliver to the Town at or prior to closing an executed Issue Price Certificate, in form and substance satisfactory to Bond Counsel, a form of which will be available to the Purchaser upon request.

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: November 26, 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

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TOWN OF PALM TREE
ORANGE COUNTY, NEW YORK

\$2,070,000 BOND ANTICIPATION NOTES – 2019 SERIES B

(the “Notes”)

DATED: December 23, 2019

MATURITY: December 23, 2021

	Amount	Interest Rate	Premium	Net Interest Cost
Bid	\$ 2,070,000	%	\$	%

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

EXHIBIT B