

Capital Markets Advisors, LLC

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HEMPSTEAD UNION FREE SCHOOL DISTRICT Nassau County, New York \$25,480,000 Bond Anticipation Notes – 2021 Series B Term Sheet

- ISSUER:** Hempstead Union Free School District, Nassau County, New York
(the “District”)
- ISSUE:** \$25,480,000 Bond Anticipation Notes – 2021 Series B (the “Notes”)
- UNDERWRITER:** Oppenheimer & Co.
- PRICING DATE:** June 29, 2021
- DATE OF ISSUE:** July 13, 2021
- DATE OF MATURITY:** July 13, 2022
- 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 Notes, 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

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) Book-entry only
- 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 being issued pursuant to a bond resolution adopted by the Board of Education of the District on June 21, 2018 authorizing the issuance of serial bonds or bond anticipation notes issued in anticipation of such serial bonds to finance the costs of the construction of a new elementary school, including the demolition of the existing building on said site and the removal of certain modular buildings used throughout the District, not to exceed \$46,844,112.
- 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 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 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, such as the 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, 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-‘ with a stable outlook.

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 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.

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.

IMPACTS OF COVID- 19: The District has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to cleaning supplies and equipment. The District has paid such costs from budgetary appropriations and available funds. The expenses will be reimbursed through CARES Act funding of which the District received approximately \$2,500,000 during the 2020-2021 fiscal year. The District also anticipates receiving approximately \$26,000,000 in stimulus funds through the American Rescue Plan and \$8,500,000 from the Corona Virus Response and Relief Supplemental Appropriations Act during the next 3 years the 2021 – 2024 fiscal years.

IMPACT OF FOUNDATION AID: The District is receiving an additional \$19,000,000 in Foundation Aid for the 2021-2022 fiscal year and is expected to receive an additional \$10,000,000 in the 2022-2023 fiscal year.

ISSUER: Hempstead Union Free School District
185 Peninsula Boulevard
Hempstead, NY 11550
Contact: Jamal J. Scott
Assistant Superintendent for Business and Operations
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jjscott@hempsteadschools.org

UNDERWRITER: Oppenheimer & Co.
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FINANCIAL ADVISOR:

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BOND COUNSEL

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PROPOSAL FOR NOTES

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

June 22, 2021

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HEMPSTEAD UNION FREE SCHOOL DISTRICT
NASSAU COUNTY, NEW YORK

\$25,480,000
BOND ANTICIPATION NOTES – 2021 Series B
(the "Notes")

DATED: June 13, 2021

MATURITY DATE: July 13, 2022

	Amount	Interest Rate	Premium	Net Interest Cost*
Bid 1	\$	%	\$	%

Form of Note: Book-Entry-Only, or Registered to Purchaser
(circle one)

Signature: _____

Name of Bidder: _____

Address of Bidder: _____

Tel. (Area Code): _____ Fax (Area Code): _____