

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 28, 2017

**RATING: See "RATING" herein
BOND ANTICIPATION NOTES**

RENEWAL ISSUES

In the opinion of Norton Rose Fulbright US LLP, New York, New York, Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein for a description of the opinion of Bond Counsel and certain other tax consequences.

**VILLAGE OF HAVERSTRAW
ROCKLAND COUNTY, NEW YORK**

\$5,350,000*

**BOND ANTICIPATION RENEWAL NOTES, 2017 SERIES B (FEDERALLY TAXABLE)
(the "Series B Notes")**

Date of Issue: December 19, 2017

Maturity Date: December 19, 2018

\$1,800,000*

**BOND ANTICIPATION RENEWAL NOTES, 2017 SERIES C (FEDERALLY TAXABLE)
(the "Series C Notes" and together with the Series B Notes, the "Notes")**

Date of Issue: December 19, 2017

Maturity Date: January 19, 2018

The Notes are general obligations of the Village of Haverstraw, Rockland County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village for the payment of the principal of and interest on the Notes. All the taxable real property within the Village will be subject to the levy of ad valorem taxes to pay principal of and interest on the Notes, subject to applicable statutory limitations. See "Tax Increase Procedural Limitation Legislation," herein.

The Notes are dated their Date of Issue and will bear interest from such date until the Maturity Date of the Notes, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser, the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, Jersey City, New Jersey ("DTC") as book entry notes.

If the Notes are issued in registered form, registered in the name of the successful bidder(s), 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 Village, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

DTC will act as Securities Depository for those Notes issued as book-entry notes. The Notes issued in book-entry form will be registered to Cede & Co. as partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in those Notes issued as book-entry-only notes. Payment of the principal of and interest on such Notes will be made by the Village to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Notes as described herein. (See "Book-Entry-Only System" herein.)

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of an unqualified legal opinion as to the validity of the Notes, by Norton Rose Fulbright US LLP, Bond Counsel. It is anticipated that the Notes will be available for delivery in New York on or about December 19, 2017.

THE VILLAGE DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED. FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED, THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S). THE VILLAGE WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF MATERIAL EVENTS WITH RESPECT TO THE NOTES AS DEFINED IN THE RULE (SEE "DISCLOSURE UNDERTAKING HEREIN).

DATED: November __, 2017

*Preliminary, subject to change.

**VILLAGE OF HAVERSTRAW
ROCKLAND COUNTY, NEW YORK**

**MICHAEL KOHUT
MAYOR**

BOARD OF TRUSTEES

Emily Dominguez.....Deputy Mayor

Rafael BuenoTrustee

Joel I.A. SantanaTrustee

Terence WatsonTrustee

Judith R. CurcioVillage Clerk/Treasurer

J. Nelson Hood, Jr.....Village Attorney

BOND COUNSEL

**Norton Rose Fulbright US LLP
New York, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Long Island * Hudson Valley * Southern Tier * Western New York
(516) 472-7049**

No dealer, broker, salesperson or other person has been authorized by the Village of Haverstraw to give any information or to make any representation other than those contained in this Official Statement. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village of Haverstraw since the date thereof.

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OFFICIAL STATEMENT

VILLAGE OF HAVERSTRAW ROCKLAND COUNTY, NEW YORK

relating to

\$5,350,000*

BOND ANTICIPATION RENEWAL NOTES, 2017 SERIES B (FEDERALLY TAXABLE)
(the “Series B Notes”)

and

\$1,800,000*

BOND ANTICIPATION RENEWAL NOTES, 2017 SERIES C (FEDERALLY TAXABLE)
(the “Series C Notes” and together with the Series B Notes, the “Notes”)

The material set forth herein, including the cover pages and appendices hereto, has been prepared by the Village of Haverstraw, in the County of Rockland, in the State of New York (the “Village,” “County,” and “State,” respectively) in connection with the sale of \$5,350,000 Bond Anticipation Renewal Notes, 2017 Series B (Federally Taxable) (the “Series B Notes”) and \$1,800,000 Bond Anticipation Renewal Notes, 2017 Series C (Federally Taxable) (the “Series C Notes” and, together with the Series B Notes, the “Notes”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Village contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Notes, the acts and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

At the option of the purchaser, the Notes will be issued in bearer form or as registered notes. If the Notes are issued in registered form, the Notes will be registered to the purchaser or registered in the name of Cede & Co., as nominee for DTC as book-entry notes.

For those Notes issued in bearer form or registered to the purchaser, 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 lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their interest in the Notes. Individual purchases of such registered Notes 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 lawful money of the United States of

*Preliminary, subject to change.

America (Federal Funds) by the Village 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. See "Book-Entry System" herein.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution, the laws of the State of New York, including, among others, the Village Law and the Local Finance Law. The Series B Notes are additionally issued pursuant to a bond resolution duly adopted by the Board of Trustees on November 24, 2014 to finance the payment of a judgment. The proceeds from the sale of the Series B Notes, together with \$350,000 in available funds, will be used to redeem the Village's \$5,700,000 Bond Anticipation Notes, 2016 (Federally Taxable) at maturity on December 20, 2017. The Series C Notes are additionally issued pursuant to bond resolutions duly adopted by the Village Board of Trustees on January 10, 2010, January 5, 2015, and October 3, 2016, which authorized the issuance of \$3,300,000 bonds to pay part of the cost of the acquisition of real property at 30 Liberty Street. The proceeds from the Series C Notes will be used to redeem the Village's \$1,800,000 Bond Anticipation Notes – 2017 Series A at maturity on December 20, 2017.

Book-Entry Only System

DTC will act as securities depository for those Notes issued in book-entry form. Those Notes issued in book-entry form will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds of a series and will be deposited with DTC. One fully-registered note certificate will be issued for each Note issued in book-entry form bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each bond or note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes registered as book-entry notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village, on payable date in accordance with their respective holdings shown on DTC's records. Payments by the Village to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Village. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the Village takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the Village and the holder thereof.

Holders of any series of notes or bonds of the Village may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Village and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State.

For the payment of such principal and interest, the Village has power and statutory authorization to levy ad valorem taxes on all real property within the Village subject to such taxation by the Village subject to applicable statutory limitations. See "Tax Increase Procedural Limitation Legislation" in Appendix A hereof.

ENFORCEMENT OF REMEDIES UPON DEFAULT

The following description of factors affecting the possible enforcement of remedies upon a default by the Village is not intended to constitute legal advice and is not a substitute for obtaining the advice of counsel on such matters. Factors governing the availability of remedies against the Village are complex and the obligations of the Village, under certain circumstances, might not be enforced precisely as written.

General Municipal Law Contract Creditors' Provision. The Notes are general obligations of the Village. Each Note when duly issued and paid for will constitute a contract between the Village and the purchaser. Such contracts, if not honored, would generally be enforceable through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Village upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might apply if there were a default in the payment of the principal of and interest on the Bonds or Notes.

Unavailability of Remedies of Levy and Attachment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. Under the general rule with respect to municipalities, judgments against the Village may not be enforced by levy and execution against property owned by the Village.

Constitutional Non-Appropriation Provision. The Constitution of the State, Article VIII, Section 2, contains the following provision relating to the annual appropriation of monies for the payment of principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any owner of obligations issued for any such indebtedness." If the Village were to fail to make a required appropriation, however, the ability of affected owners of Village indebtedness to enforce this provision as written could be compromised or eliminated as described below under "Bankruptcy", "State Debt Moratorium Law" and "Possible Priority of Continuation of Essential Public Services".

Bankruptcy. The Federal Bankruptcy Code allows municipalities, such as the Village, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Should the Village file for relief under the Federal Bankruptcy Code there could be adverse effects on the owners of the Bonds or Notes.

The State, in Section 85.80 of the Local Finance Law, has authorized any municipality in the State to file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Congress has enacted such a law in the form of the Federal Bankruptcy Code. Given the authority established in the aforesaid Section 85.80 of the Local Finance Law, the Federal Bankruptcy Code, under certain circumstances, can provide municipalities in New York with easier access to judicially approved adjustment of debt and can permit judicial control over identifiable and unidentifiable creditors.

Under the United States Constitution, Federal law is supreme and may be enforced irrespective of contrary state law. Accordingly, proceedings in accordance with the Federal Bankruptcy Code could result in an allocation of funds that fails to honor the faith and credit pledge required by the State Constitution.

No current State law purports to create any collateral or priority for owners of the Bonds or Notes should the Village be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. The Bonds or Notes could be deemed unsecured obligations of the Village in a bankruptcy case.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality that is insolvent, which generally means the municipality is unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors. Any plan of adjustment can be confirmed by the court over the objections of creditors if the plan is found to be "fair and equitable" and in the "best interests of creditors." The Village may be able, without the consent and over the objection of owners of the Bonds or Notes, to impair and alter the terms and provisions of the Bonds or Notes, including the payment terms, interest rate, maturity date, and payment sources, as long as the bankruptcy court finds that the alterations are "fair and equitable." If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The rights of the owners of Bonds or Notes to receive interest and principal from the Village and the enforceability of the Village's faith and credit pledge to pay such interest and principal could be adversely affected by the restructuring of the Village's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of owners of debt obligations issued by the Village (including the Bonds or Notes) to payment from monies retained in any fund or from other sources would be recognized if a petition were filed by or on behalf of the Village under the Federal Bankruptcy Code. Such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally, or might even be directed to satisfy other claims instead of being paid to the owners of the Bonds or Notes.

Regardless of any specific adverse determinations in a bankruptcy proceeding of the Village, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Bonds or Notes.

State Debt Moratorium Law. Unless the Federal Bankruptcy Code or other Federal Law applies, as described above, enforcement of the rights of Bond or Note owners will generally be governed by State law. In 1975, a general State law debt service moratorium statute was enacted.

Under that legislation, the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York was suspended. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations. Accordingly, State legislation materially limiting the timing or manner of actions to enforce the faith and credit pledge against an issuer of general obligation debt (including that portion of Title 6-A of Article 2 of the Local Finance Law enacted in 1975 authorizing any municipality in a State-declared financial emergency period to petition to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality) could be determined to conflict with the State Constitution and may not be enforceable.

The State Constitutional provision providing for first revenue set asides applies to the payment of interest on all indebtedness and to the payment of principal payments or bonds, but does not apply to pay payment of principal due on tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Possible Priority of Continuation of Essential Public Services. In prior years, certain events and legislation affecting an owner's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of note or bond owners, such courts might hold that future events, including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET FACTORS

The financial and economic condition of the Village as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Village's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

There can be no assurance that the State appropriation for State aid to villages will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Village can be paid only if the State has such monies available therefor. (See "State Aid" herein).

Should the Village fail to receive monies expected from the State in the amounts and at the times expected, the Village is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Bonds or Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds or Notes. In addition, the price and principal value of the Notes are dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Village. Any such future legislation could have an adverse effect on the market value of the Bonds (See "Tax Matters" herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the Village, school districts, and fire districts in the State could have an impact upon operations of the Village and as a result, the market price for the Bonds or Notes. (See "Tax Increase Procedural Limitation," herein.)

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively

scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Village as “No Designation.”

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. OSC has not reviewed the Village in the last five years.

LITIGATION

In common with other Villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the Village, would have a material adverse effect on the financial condition of the Village and its ability to make timely payments of debt service on the Notes.

TAX MATTERS

Federally Taxable Notes

State Tax Exemption. In the opinion of Bond Counsel, under existing law interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Certain Federal Income Tax Considerations. The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Notes. The discussion is based upon the Internal Revenue Code of 1986 (the “Code”), U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Note by a beneficial owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Notes in light of the investor’s particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Notes, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Notes in connection with the performance of services, or persons deemed to sell Notes under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Notes as “capital assets” within the meaning of Section 1221 of the Code, and acquire such Notes for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Notes who are United States persons within the meaning of Section 7701(a)(30) of the Code (“United States persons”) and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the “IRS”) with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE NOTES.

Stated Interest and Reporting of Interest Payments. The stated interest on the Notes will be included in the gross income, as defined in Section 61 of the Code, of the beneficial owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the beneficial owners thereof. Subject to certain exceptions, the stated interest on the Notes will be reported to the IRS. Such information will be filed each year on IRS Form 1099 which will reflect the name, address, and taxpayer identification number (“TIN”) of the beneficial owner. A copy of IRS Form 1099 will be sent to each beneficial owner of a Note for federal income tax purposes.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Notes should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Notes as well as gain on the sale of a Note.

Acquisition Discount. Special rules apply to notes, such as the Notes, which constitute “short-term Government obligations” within the meaning of Section 1271(a)(3)(B) of the Code. Beneficial owners that report income for federal income tax purposes on an accrual method and some other beneficial owners, including banks and certain dealers in securities, are required to include acquisition discount on the Notes in income on a straight-line basis, unless an election is made to accrue the acquisition discount according to a constant yield method based on daily compounding. The amount of “acquisition discount” on a Note is the excess of the stated redemption price at maturity of the Note over the beneficial owner’s basis in the Note. The “stated redemption price at maturity” of a Note equals the sum of its principal amount plus all other payments scheduled to be made thereunder, other than payments of stated interest. Any other beneficial owner of a Note is not required to accrue acquisition discount for federal income tax purposes, unless it elects to do so. In the case of a beneficial owner that is not required, and does not elect, to include acquisition discount in income currently, the acquisition discount will be recognized as ordinary income upon the maturity of a Note and any gain realized on the disposition of a Note is ordinary income to the extent of the acquisition discount accrued on a straight-line basis, or, if elected, according to a constant yield method based on daily compounding, through the date of disposition. In addition, beneficial owners that are not required, and do not elect, to include acquisition discount in income currently are required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry a Note in an amount not exceeding the accrued acquisition discount with respect to the Note until the accrued acquisition discount is realized. A beneficial owner’s tax basis in a Note is increased by the amount included in the beneficial owner’s income with respect to the Note. Beneficial owners are urged to consult their own tax advisors regarding the acquisition discount rules and their potential application to the Notes.

Premium. If a beneficial owner purchases a Note for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Note with “amortizable bond premium” equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Note and may offset interest otherwise required to be included in respect of the Note during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Note held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Note. However, if the Note may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Note. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Backup Withholding. Under Section 3406 of the Code, a beneficial owner of the Notes who is a United States person may, under certain circumstances, be subject to “backup withholding” (currently at a rate of 28 percent) on current or accrued interest on the Notes or with respect to proceeds received from a disposition of the Notes. This withholding applies if such beneficial owner of Notes: (i) fails to furnish to the payor such beneficial owner’s social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such beneficial owner’s broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such beneficial owner is not subject to backup withholding. To establish status as an exempt person, a beneficial owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. **BENEFICIAL OWNERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE.** The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a beneficial owner of the Notes is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as “portfolio interest.” Interest will be treated as portfolio interest if (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner, (ii) such interest is treated as not effectively connected with the beneficial owner’s United States trade or business, (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Notes is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such beneficial owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such beneficial owner is not a bank receiving interest on the Notes pursuant to a loan agreement entered into in the ordinary course of the bank’s trade or business.

Assuming payments on the Notes are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Sections 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished IRS Form W-8 BEN, IRS Form W-8 BEN-E, IRS Form W-8 EXP, or IRS Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act (“FATCA”) imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Notes and sales proceeds of Notes held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including acquisition discount) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018, and (ii) certain “pass-thru” payments no earlier than

January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Notes, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinions of Norton Rose Fulbright US LLP, Bond Counsel, New York, New York. Such legal opinions will be delivered in substantially the forms attached hereto as “APPENDIX D”.

DISCLOSURE UNDERTAKING

This Official Statement is in a form “deemed final” by the Village for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). In accordance with the requirements of the Rule as the same may be amended or officially interpreted from time to time promulgated by the Commission, the Village has agreed to provide, at the time of delivery of the Notes, an executed Disclosure Undertaking in substantially the form attached hereto as “Appendix C.”

Continuing Disclosure Compliance History

The Village timely filed its unaudited financial statements on or prior to the 180th day following the end of each fiscal year but failed to file its audited financial statements within 30 days after becoming available for fiscal years ended May 31, 2012, May 31, 2013, May 31, 2014 and May 31, 2016.

Since 2007, there have been in excess of 50 rating actions reported by Moody’s Investors Service, Standard & Poor’s Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured Notes previously issued by the Village. Due to widespread knowledge of these rating actions, event notices were not filed by the Village in each instance.

Other than as set forth above, the Village is in compliance in all material respects with all previous undertakings made pursuant to Rule 15c2-12 during each of the past five years.

The Village has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck New York, (the “Municipal Advisor”) has served as the independent Municipal Advisor to the Village in connection with the Notes.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of

underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

RATINGS

The Village has not applied for a rating on the Notes.

On November 23, 2016 Moody's Investors Service, Inc. ("Moody's") assigned a credit rating of "Aa3" to the Village's outstanding parity general obligation bonds.

With respect to the Moody's rating applicable to uninsured debt, such rating reflects only the views of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the Village Treasurer, Ms. Judith R. Curcio, 40 New Main Street, Haverstraw, New York 10927, (845) 429-0300, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC., One Great Neck Road, Suite 1, Great Neck, New York 11021, (516) 472-7049.

Any statements in the Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Village and the original purchasers or holders of any of the Notes.

The Municipal Advisor may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Village nor The Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, The Municipal Advisor and the Village disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the Village also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is submitted only in connection with the sale of the Notes by the Village and may not be reproduced or used in whole or in part for any other purpose.

VILLAGE OF HAVERSTRAW
ROCKLAND COUNTY, NEW YORK

By: _____
Judith R. Curcio
Treasurer

DATED: November __, 2017

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village is located in the northeastern portion of Rockland County, approximately 35 miles north of New York City on the western bank of the Hudson River. The Village encompasses a land area of approximately 2.2 square miles, and is located within the Town of Haverstraw (the “Town”).

The Village is primarily residential in nature, with many residents commuting to work in New York City and throughout Rockland and Westchester Counties. In addition, the Village has a well-established base of commercial and light industries, including manufacturing and research companies. Elementary, middle, and high school education is provided by the Haverstraw-Stony Point (North Rockland) Central School District.

Haverstraw Waterfront and Downtown Revitalization Project

The Village, in conjunction with Ginsburg Development LLC (GDC) has embarked on an extensive plan to reclaim its former industrial waterfront and transform it into a thriving mixed-use waterfront community. The Local Waterfront Revitalization Plan was adopted by the Village Trustees in 2003, focusing on the development of 800 units of residential housing along the waterfront. As of this date, 500 units have been developed and are occupied. Two different waterfront peninsulas will be developed; the first peninsula developed is the new Harbors at Haverstraw. The waterfront revitalization effort also included the creation of a mile and a half waterfront Promenade Park, as well as plans for additional waterfront development.

The Village and GDC have partnered with other local developers to revitalize the downtown area. Work has commenced on streetscape enhancements with new lighting, sidewalks, curbing, streets and street furniture. Other redevelopment projects will provide additional housing and promote retail activity.

Form of Government

The Village was established as a municipal government by the State of New York pursuant to the Village Law in 1854 and is vested with such powers and has the responsibilities inherent in the operation of municipal government including the adoption of rules and regulations to govern its affairs. In addition, the Village may tax real property situated in its boundaries and incur debt subject to the provision of the State's Local Finance Law.

The Village operates under a strong Mayor form of government. Under this form, the Mayor is the chief executive officer of the Village and directs the day-to-day operations of the Village. He is elected for a term of four years and is eligible to succeed himself. He is also a member of the Board of Trustees. In addition to the Mayor, there are four trustees who are elected for four-year terms.

Elected and Appointed Officials

The Village Board of Trustees is the legislative, appropriating, governing and policy determining body of the Village and consists of a mayor and four trustees, all of whom are elected at large to serve four-year terms. The number of terms which a Trustee may serve is not limited. It is the responsibility of the Board to enact, by resolution, all legislation including resolutions and local laws. Annual operating budgets for the Village must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all indebtedness is subject to approval by the Board.

The Mayor is the chief elected official of the Village and is elected for a four-year term of office with the right to succeed himself. In addition, the Mayor is a full member of and the presiding officer of the Board.

The Village Treasurer is appointed by the Mayor, subject to the approval of the Board of Trustees, to a four-year term and, pursuant to the Local Finance Law of the State, is the chief fiscal officer of the Village. Duties and responsibilities of the position include: collection of taxes, maintenance the Village's accounting systems and

records, which includes the responsibility to prepare and file an annual report with the State Comptroller, custody and investment of Village funds, and debt management.

The Village Clerk is appointed by the Mayor, subject to approval by the Board, to a four-year term. The Clerk has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board and keeps the records of their proceedings. The Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, general ordinances, and issues various licenses and permits.

Village Services and Programs

The Village provides its residents with many of the services traditionally provided by municipal governments. In addition, the Town and County furnish certain other services. Services provided by the Village include: refuse collection; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities including building code enforcement; and planning and zoning administration. Fire protection is furnished by a volunteer fire department. Volunteer ambulance service is provided by the Town of Haverstraw. Vehicles and equipment for fire and emergency services are owned by the Village, but maintained by fire companies.

Pursuant to State law, the County, not the Village, is responsible for providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

Employees

The Village employs 30 full-time and 42 part-time persons, some of whom are represented by the unions listed below, with 50 seasonal employees. The following table sets forth a breakdown of employee representation by collective bargaining agent and the date of expiration of the collective bargaining agreements.

<u>Employees</u>		
<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
21	Civil Service Employees Association	5/31/2019

Source: Village Officials

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS") (collectively, the "Retirement System" for both ERS and PFRS). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, when at such time contributions become voluntary. Employees hired after January 1, 2010, must contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service. Members hired after April 1, 2012 contribute as described below.

On May 14, 2003, a pension reform bill was signed into law as Chapter 49 of the Law of 2003 (“Chapter 49”). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Village. Under the previous method, the Village was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Village is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible and allowed a one-time financing of the employer contribution during the State’s 2004-05 fiscal year.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1.

On December 10, 2009, a new Tier V was signed into law. The law is effective for new ERS and TRS (Teacher’s Retirement System) employees hired after January 1, 2010 and before April 2, 2012. New Tier V ERS employees will contribute 3% of their salaries and new TRS employees will contribute 3.5% of their salaries and there is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired after April 1, 2012. The Division of the Budget estimates the new tier will save the State and local governments outside of New York City \$80 billion over the next 30 years. The new pension tier has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more. No current employees will be affected by the new legislation.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Village opted to make its pension payments in December of the last six years in order to take advantage of the discount and expects to make its pension payment in December 2017 for the payment due in February 2018.

Due to significant capital market declines in the recent past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State’s Retirement System in 2011 year and subsequent years will be higher than the minimum contributions rate established by Chapter 49. At this time the Village is unable to predict the amount of any such increase. To mitigate the expected increases in the employer contribution rate, Comptroller DiNapoli has proposed legislation that would permit local governments and school districts to issue bonds to fund the required increased contribution. The Village has no plans at this time to utilize this option.

The following table presents the required contributions by the Village to the New York Retirement Systems for the past five years:

<u>May 31</u>	<u>ERS</u>
2013	\$390,898
2014	417,126
2015	375,047
2016	371,899
2017	310,533

Other Post-Employment Benefits

The Village provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB") requires governmental entities, such as the Village, to account for the cost of certain non-pension post-employment benefits as it accounts for vested pension benefits.

OPEB refers to "other post-employment benefits," and refers to benefits other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, which covers accounting for pensions, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC .

Actuarial Valuation will be required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

The Village is in compliance with the requirements of GASB 45. The Village has determined that its actuarial accrued liability ("AAL") for OPEB as of May 31, 2016 was approximately \$14,940,099. For financial reporting purposes, the Village has elected to amortize the AAL over 30 years. For the year ended May 31, 2016, the Village's ARC was \$1,545,800.

The Village's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Village's finances and could force the Village to reduce services, raise taxes or both.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Village plans to continue funding this expenditure on a pay-as-you-go basis.

Investment Policy and Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Village is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

Village moneys not immediately required to be applied to a Village purpose may be temporarily invested in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue

anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Village, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

FINANCIAL FACTORS

Budgetary Procedure

The Mayor is the budget officer of the Village and submits the tentative budget for the next fiscal year to the Board on or before March 20 of each year. The Board meets on or before March 31 to discuss and review the tentative budget and may make such changes and revisions as they deem appropriate subject to the provisions of law. A public hearing on the budget is held on or before April 15. Members of the public may express their views on the budget, but there is no provision for a formal vote. Following the public hearing, and on or before May 1, the Board meets to adopt the final budget. A copy of such budget must be filed with the Village Clerk and is available on or before May 1 for public inspection.

Budgetary control is the responsibility of the Village Treasurer. Formal integration of the budget with the accounting system is used during the year as a management tool for all governmental funds.

Independent Audits

The annual financial statements of the Village were audited by the firm of Korn, Rosenbaum, Phillips & Jauntig LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for the fiscal years ended May 31, 2012 through 2016.

Fund Structures and Accounts

The Village utilizes fund accounting to record and report its various service activities. A fund represents both legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services, debt service and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Village maintains the following governmental funds: General Fund, Special Aid Fund and Capital Projects Fund.

Basis of Accounting

The financial statements of the Village are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are "measurable" and "available" to finance current operations. Revenues susceptible to accrual include real property taxes, services to

other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group and recognized as an expenditure when due, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due and (3) compensated absences which are charged to expenditures when paid.

2011/2012 Audited Results

For the fiscal year ending May 31, 2012, based on audited results, General Fund revenues and other sources were approximately \$9.4 million and General Fund Expenditures and other uses were \$9.2 million, which resulted in an operating surplus of \$184,697 and a cumulative General Fund surplus of \$3,197,266.

2012/2013 Audited Results

For the fiscal year ending May 31, 2013, based on audited results, General Fund revenues and other sources were approximately \$9.0 million and General Fund Expenditures and other uses were \$8.6 million, which resulted in an operating surplus of \$426,459 and a cumulative General Fund surplus of \$3,621,127.

2013/2014 Audited Results

For the fiscal year ending May 31, 2014, based on audited results, General Fund revenues and other sources were approximately \$9.2 million and General Fund Expenditures and other uses were \$9.1 million, which resulted in an operating surplus of \$86,594 and a cumulative General Fund surplus of \$3,707,721.

2014/2015 Audited Results

For the fiscal year ending May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$16.9 million and General Fund Expenditures and other uses were \$16.3 million, which resulted in an operating surplus of \$548,150 and a cumulative General Fund surplus of \$4,255,871.

2015/2016 Audited Results

For the fiscal year ending May 31, 2016, based on unaudited results, General Fund revenues and other sources were approximately \$9.5 million and General Fund Expenditures and other uses were \$9.2 million, which resulted in an operating surplus of \$277,364 and a cumulative General Fund surplus of \$4,533,235.

2016/2017 Unaudited Results

For the fiscal year ending May 31, 2017, based on unaudited results, General Fund revenues and other sources were approximately \$9,731,069 million and General Fund Expenditures and other uses were \$9,211,024 million, which resulted in an operating surplus of \$520,045 and a cumulative General Fund surplus of \$5,053,280.

2017/2018 Adopted Budget

For the fiscal year ending May 31, 2017, based on the Village's Adopted Budget, General Fund revenues are expected to be \$10,024,094 million and General Fund Expenditures and other uses are expected to be \$10,240,094 million. The Village does not presently expect a material deviation from these budgeted numbers.

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Real Property Taxes

The Village derives most of its revenues from a tax on real property. The following table sets forth total General Fund revenues and real property taxes received for each of the last five fiscal years ended May 31 and the amount budgeted for the most recent fiscal year.

General Fund Revenues & Real Property Taxes

<u>Fiscal Year Ended May 31</u>	<u>Total Revenues⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2012	\$8,222,559	\$6,413,691	78.0%
2013	8,462,541	6,485,633	76.6
2014	8,859,932	6,556,895	74.0
2015	9,047,541	6,600,056	73.0
2016	9,474,504	6,954,597	73.4
2017 (Unaudited)	9,731,069	7,161,396	73.6
2018 (Adopted Budget)	10,240,094	7,038,684	68.7

(1) General Fund.

Source: Audited Financial Statements, 2017 Unaudited Results and 2018 Adopted Budget of the Village.

State Aid

The Village receives financial assistance from the State. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Village, in any year, the Village may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if in any year the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Village, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Village. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Village, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "Market and Risk Factors Affecting Financing of the State and Municipalities of the State", herein.)

The following table sets forth total General Fund revenues and State aid revenues received for each of the last five fiscal years ended May 31 and the amount budgeted for the most recent fiscal year.

General Fund Revenues & State Aid

<u>Fiscal Year Ended May 31</u>	<u>Total Revenues⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2012	\$8,222,559	\$335,335	4.1%
2013	8,462,541	387,320	4.6
2014	8,859,932	207,000	2.3
2015	9,047,541	361,322	4.0
2016	9,474,504	270,981	2.9
2017 (Unaudited)	9,731,069	287,729	3.0
2018 (Adopted Budget)	10,240,094	204,243	2.0

(1) General Fund.

Source: Audited Financial Statements, 2017 Unaudited Results and 2018 Adopted Budget of the Village.

TAX INFORMATION

Real Estate Tax Levying Limitation

The Village is responsible for levying taxes for Village purposes. The Village’s real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the Village.

The following table sets forth the computation of the Village’s real estate tax levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2017.

Real Property Tax Assessment and Rates

<u>Fiscal Year</u> <u>Ending May 31</u>	<u>Assessed</u> <u>Valuation</u>	<u>State</u> <u>Equalization Ratio</u>	<u>Full</u> <u>Valuation</u>
2013	\$43,561,882	6.42%	\$678,533,988
2014	41,847,749	6.45	648,802,310
2015	39,693,588	7.01	566,242,340
2016	39,738,265	7.02	566,072,151
2017	39,853,215	7.02	<u>567,709,615</u>
		Total	<u>\$3,027,360,404</u>
Five-Year Average Valuation			\$605,472,081
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:			\$12,109,442
Exclusions Added Thereto:			2,465,686
Maximum Taxing Power			\$14,575,128
Real Estate Tax Levy for 2016-2017			<u>7,038,684</u>
Constitutional Net Tax Margin			\$7,536,444
Percent of Tax Limitation Exhausted			<u>37.76%</u>

Source: Village Treasurer and the New York State Board of Real Property Services.

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Valuations and Tax Data

The following table shows the trend during the last five years for taxable assessed valuations, state equalization ratios, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation.

	<u>Valuations and Tax Data</u>				
	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Assessed Value	\$43,561,882	\$41,847,749	\$39,693,588	\$39,738,265	\$39,853,215
Equal. Ratio	6.42%	6.45%	7.01%	7.02%	7.02%
Full Value	\$678,533,988	\$648,802,310	\$566,242,340	566,072,151	567,709,615
Tax Levy:	6,199,583	6,279,539	6,961,334	6,687,886	7,038,684
Tax Rate: ⁽¹⁾	142.32	150.06	159.22	168.30	176.62

(1) Per \$1,000 assessed valuation.

Source: Village officials and the New York State Board of Real Property Services.

Tax Increase Procedural Limitation Legislation

Although the State Legislature is limited by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted”, the State Legislature may from time to time impose additional limitations on the ability to issue new indebtedness or to raise taxes therefor.

Chapter 97 of the Laws of 2011, as amended (the “Tax Levy Limit Law” or the “Law”) applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities to levy certain year-to-year increases in real property taxes.

The Village is subject to the Tax Levy Limit Law, beginning with the Village’s budget for its fiscal year beginning January 1, 2012. Pursuant to the Tax Levy Limit Law, additional procedural requirements are imposed if a Village seeks to increase the tax levy by more than the lesser of (1) two percent (2%) or (ii) the annual increase in the consumer price index, over the amount of the Village’s prior year’s tax levy (the “Tax Levy Increase Limit”). In the event the Village seeks to adopt a budget requiring a tax levy exceeding the Tax Levy Increase Limit, a favorable vote of at least three members of the five-member Village Board of the Village would be required. The Board would also be required to act by Local Law rather than simply by resolution, and a public hearing would be required. The Village has exceeded the Tax Levy Increase Limit for the fiscal years ended May 31, 2015 and May 31, 2016.

The Tax Levy Limit Law permits certain exceptions to the Tax Levy Increase Limit. The Village may levy taxes exceeding the Tax Levy Increase Limit, if necessary, to support the following expenditures: (i) funds needed to pay judgments arising out of tort actions that exceed five percent of the total tax levied by the Village in the prior fiscal year and (ii) required pension payments (but only that portion of such payments attributable to the average actuarial contribution rate exceeding two percentage points). Taxes necessary for these expenditures will not be included in the calculation of the Tax Levy Increase Limit.

The Tax Levy Limit Law also provides for adjustments to be made to the Village’s Tax Levy Increase Limit based upon changes in the assessed value of the taxable real property in the Village. Additionally, the Village is permitted to carry forward a certain portion of its unused tax levy capacity from the prior year.

Bonds and Notes of the Village issued prior to the June 24, 2011 effective date of the Tax Levy Limit Law are payable from real property taxes that can be levied as necessary without regard to any Constitutional or statutory limit. Inasmuch as the Law has no exclusion for principal and interest on notes and bonds, however, levies required to pay principal and interest on notes and bonds will be included in the calculation of the Tax Levy Increase Limit. In the absence of administrative or judicial guidance, and with a lack of any experience operating under the Law,

the effect of the Law on the Village's finances and its ability to continue to levy taxes sufficient to both pay debt service on pre June 24, 2011 and post June 24, 2011 notes and bonds and meet its other governmental responsibilities is uncertain.

Real Property Tax Rebate

The State has created an incentive for municipalities and school districts to stay within the Tax Levy Increase Limit. Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill, includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the Tax Levy Increase Limits of the Tax Levy Limit Law. School district budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the Tax Levy Increase Limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Eligible homeowners do not need to do anything to receive the credit. The State tax department will review eligibility data and calculate the credit for all qualifying taxing jurisdictions. In the fall of each of the program's three years (2014, 2015, 2016), the department will mail eligible taxpayers a single check that will be the total of the credits for each jurisdiction that is in compliance.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies". Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limit Law. This, or similar future legislation, would affect future levies and operations and services of the Village.

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Tax Collection Procedures

Village real property taxes are levied on June 1 and may be paid without penalty during June. The Village is responsible for the billing and collection of its own taxes through November 1 of the tax year, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1, the County remits to the Village the balance of all uncollected taxes. The Village is thereby guaranteed full tax collection by the County. The County has responsibility for conducting tax lien sales and in-rem foreclosure proceedings.

Real Property Tax Levies and Collections

<u>Fiscal Year Ended May 31:</u>	<u>Gross Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percentage Current Taxes Collected</u>
2013	\$6,490,038	\$6,490,038	100.00%
2014	6,564,185	6,564,185	100.00
2015	6,625,314	6,625,314	100.00
2016	6,687,886	6,687,886	100.00
2017	6,930,337	6,930,337	100.00

Ten of the Largest Taxpayers in the Village

The following table presents the total 2017 assessed valuations of the Village’s largest property owners.

Taxable Assessments

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>% of Total Assessed Valuation</u>
Northern Riverview Health Care Center	Nursing Home & Assisted Living	\$1,889,516	4.7%
Harbors Haverstraw ⁽²⁾	Residential	1,619,005	4.1
SUEZ Company	Utility	1,019,775	2.6
Orange & Rockland Utilities	Utility	909,623	2.3
Tilcon Corp	Commercial	529,528	1.3
New York State	Forest	425,776	1.1
Haverstraw NY, LLC	Commercial	415,000	1.0
Low Tor Storage	Commercial	397,050	1.0
Yado, LLC	Residential	321,725	0.8
NRG Energy, Inc. ⁽³⁾	Utility	<u>284,850</u>	<u>0.7</u>
		<u>\$7,811,848</u>	<u>19.6%</u>

(1) Based on the 2017-2018 assessment roll the total assessed value of the Village is estimated to be \$39,853,215.

(2) Tax certiorari proceeding pending.

(3) On December 12, 2006, a settlement (the “Settlement”) was reached between Mirant New York, Inc. and its subsidiary companies and the County of Rockland, Town of Haverstraw, Town of Stony Point, Village of Haverstraw, Village of West Haverstraw and Haverstraw-Stony Point Central School District (the “Other Taxing Jurisdictions”) in connection with Mirant’s real property tax certiorari lawsuit against the County and the Other Taxing Jurisdictions. In 2010, Mirant merged with RRI Energy Inc. to create GenOn Energy Inc. In 2012, NRG Energy Inc. purchased GenOn Energy Inc.

VILLAGE INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the Village (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the Village and the Notes.

Purpose and Pledge. Subject to certain enumerated exceptions, the Village shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Village may contract indebtedness only for a Village purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Village elected to issue bonds with substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its bonds, bond anticipation notes and capital notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose. The outstanding principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Village, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation requires taking the assessed valuation of taxable real estate for the last completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedures

In general, the State Legislature has, by enactment of the Local Finance Law, authorized the powers and procedures of the Village to borrow and incur indebtedness subject, of course, to the constitutional and statutory provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Village Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Village authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of the issuance of such bonds, by the adoption of a bond resolution approved by at least two-thirds of the members of the Board. Certain of such resolutions may be subject to permissive referendum, or may be submitted to the Village voters at the discretion of the Board and are approved by at least a three-fifths vote by the members of the Board.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. Such obligations are authorized for a purpose for which the Village is not authorized to expend money, or

2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
 3. Such obligations are authorized in violation of the provisions of the State Constitution.
- Except on rare occasions the Village complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not a legal requirement.

Each bond resolution usually authorizes bonds for the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto. Expenditures for financeable objects or purposes are usually capital expenditures, but the Local Finance Law permits short and long term financing of certain expenditures and assign them a period of probable usefulness.

The Local Finance Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not extend five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional and Statutory Requirements" herein.)

The Local Finance Law also contains provisions providing the Village with power to issue certain other short-term general obligation indebtedness including budget notes, capital notes, revenue anticipation notes, and tax anticipation notes.

Constitutional Debt-Contracting Limitation

There is no constitutional limitation on the amount that may be raised by the Village by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted.

The following table sets forth the current debt-contracting limitation of the Village as of May 31, 2017.

<u>Debt Contracting Limitation</u>			
<u>Fiscal Year</u> <u>Ended May 31</u>	<u>Assessed</u> <u>Valuation</u>	<u>State Equalization</u> <u>Ratio⁽¹⁾</u>	<u>Full</u> <u>Valuation</u>
2013	\$43,561,882	6.42%	678,533,988
2014	41,847,749	6.45	648,802,310
2015	39,693,588	7.01	566,242,340
2016	39,738,265	7.02	566,072,151
2017	39,853,215	7.02	<u>567,709,615</u>
		Total	<u>\$3,027,360,404</u>
Average five-year full valuation:			<u>\$605,472,081</u>
Debt contracting limitation- 7% of average full valuation:			<u>\$42,383,046</u>

(1) Equalization rates are established by the New York State Board of Real Property Services.
Source: New York State Board of Real Property Services.

The following table, based on information furnished by the Village, presents the debt-incurring power of the Village and shows that the Village is within its constitutional debt limit.

Statement of Debt-Contracting Power
(As of November 28, 2017)

Debt-Contracting Limitation:	\$42,383,046
Gross Direct Indebtedness:	
Bonds:	
General Purpose	13,750,000
Bond Anticipation Notes:	
General Purpose	<u>7,500,000</u>
Total Gross Direct Indebtedness	<u>\$21,250,000</u>
Less Exclusions and Deductions:	
Appropriations	
During 2016/17 Fiscal Year	<u>0</u>
Total Net Direct Indebtedness	<u>\$21,250,000</u>
Debt-Contracting Margin	\$21,133,046
Percentage of Debt-Contracting Power Exhausted	50.14%

Tax and Revenue Anticipation Notes

The Village currently has no outstanding budget notes, revenue anticipation notes or tax anticipation notes.

Bond Anticipation Notes

The Village currently has the following bond anticipation notes outstanding:

Bond Anticipation Notes

<u>Dated</u>	<u>Due</u>	<u>Issue</u>	<u>Amount</u>
12/20/16	12/20/17	Bond Anticipation Renewal Notes – 2016 (Federally Taxable)	5,700,000 ⁽¹⁾
01/19/17	12/20/17	Bond Anticipation Notes – 2017 Series A	\$1,800,000 ⁽¹⁾
			<u>\$ 7,500,000</u>

(1) To be redeemed with a portion of the proceeds from the sale of the Notes together with available funds. (See “Authority for and Purpose of the Notes” herein).

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Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding for each of the last five fiscal years ended May 31.

Statement of Outstanding Indebtedness
(As of May 31 of each year)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017⁽¹⁾</u>
Bonds:	\$14,020,047	\$13,519,171	\$13,772,482	\$12,698,547	\$14,444,387
Bond Anticipation Notes:	1,465,000	1,405,000	6,500,000	6,100,000	7,500,000
Budget Note:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals:	<u>\$15,485,047</u>	<u>\$14,924,171</u>	<u>\$20,272,482</u>	<u>\$18,705,000</u>	<u>21,944,387</u>

(1) Unaudited

Source: Audited and Unaudited Financial Statements

Future Capital Borrowings

Following the issuance of the Notes the Village will have \$400,000 remaining in authorized, but unissued debt.

Estimated Overlapping and Underlying Debt

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County, as well as various Villages, school districts, and fire districts. Such taxpayers' share of this overlapping debt is based upon the amount of the Village's equalized property values taken as a percentage of each separate units' total values. The following table sets forth both the total outstanding principal amount of debt issued by the Village and the approximate magnitude of the burden on taxable property in the Village of the debt issued and outstanding by such overlapping entities.

Statement of Direct and Estimated Overlapping Indebtedness

Gross Direct Indebtedness				\$21,250,000
Exclusions and Deductions				<u>0</u>
Net Direct Indebtedness				<u>\$21,250,000</u>
 <u>Overlapping Debt</u>				
<u>Issuer</u>	<u>Net Debt</u>	<u>As of</u>	<u>Village</u>	<u>Amount Applicable</u>
	<u>Outstanding</u>		<u>Share</u>	<u>To Village</u>
Rockland County	\$495,912,879	03/14/17	1.34%	\$ 6,645,233
Town of Haverstraw	34,325,000	12/31/16	13.00	4,462,250
Haverstraw-Stony Point CSD	207,047,280	06/30/17	8.00	<u>16,563,782</u>
Total Net Overlapping Debt				\$27,671,265
Total Net Direct Debt				<u>21,250,000</u>
Total Net Direct and Overlapping Debt				<u>\$48,921,265</u>

Debt Ratios

The following table presents certain debt ratios relating to the Village’s direct and overlapping indebtedness.

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$21,250,000	\$1,784.21	3.7%
Net Direct and Overlapping Debt	48,921,265	4,107.58	8.6

- (1) The population of the Village is 11,910 according to the 2010 Census.
- (2) The full valuation of real property located in the Village for the 2017 fiscal year is \$567,709,615.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the Village’s outstanding bonded general obligation indebtedness and of New York State loan for emergency services and exclusive of the Notes.

Bond Principal and Interest Maturity Table

<u>Fiscal Year Ending May 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total⁽¹⁾</u>
2018 ⁽²⁾	\$1,419,387	\$423,071	\$1,842,458
2019	1,445,000	383,924	1,828,924
2020	1,120,000	342,394	1,462,394
2021	1,145,000	311,556	1,456,556
2022	1,170,000	278,944	1,448,944
2023	1,070,000	244,544	1,314,544
2024	1,115,000	211,619	1,326,619
2025	1,145,000	177,569	1,322,569
2026	940,000	145,984	1,085,984
2027	975,000	116,494	1,091,494
2028	715,000	89,988	804,988
2029	745,000	66,238	811,238
2030	765,000	41,025	806,025
2031	<u>675,000</u>	<u>14,938</u>	<u>689,938</u>
	<u>\$14,444,387</u>	<u>\$2,848,288</u>	<u>\$17,332,675</u>

- (1) Off slightly due to rounding.
- (2) For the entire fiscal year.

Source: Village officials.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

The population of the Village is approximately 11,910 according to the 2010 Census. Data provided for the Town, County and State is not necessarily representative of the Village.

Population Trend

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>Percentage Change 2010/2015</u>
Village	10,117	11,910	12,094	19.5%
Town	33,811	36,634	37,261	10.2
County	286,753	311,687	320,688	11.8
State	18,976,457	19,378,102	19,673,174	3.7

Source: 2000 and 2010 US Census and American Community Survey 5- year Estimates 2011-2015

Income

The following table presents and the median household income for the Town, County and State. Data provided for the Town, County and State is not necessarily representative of the Village.

Median Household Income

	<u>2000</u>	<u>2010</u>	<u>2015</u>
Town	\$53,850	\$66,633	73,117
County	67,971	82,534	84,855
State	43,393	55,603	59,269

Source: 2000 and 2010 US Census and American Community Survey 5- year Estimates 2011-2015

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the Town, County and State.

Major Employers Located in the Village

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Northern Riverview Nursing Home	Nursing home	350
MAT Bus Corporation	Bus company	220
North Rockland Central SD	School	214
Tilcon Quarry	Textile production	75
Village of Haverstraw	Government	73
McDonald's Restaurant	Restaurant	55
Green Hills Adult Home	Adult home	40

Source: Village Officials.

Data provided for the Town, County and State are not necessarily representative of the Village.

Civilian Labor Force

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town	19,600	19,600	19,500	19,700	19,600
County	150,300	150,100	149,700	152,100	152,400
State	9,587,200	9,610,200	9,569,100	9,679,300	9,584,500

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

Data provided for the Town, County and State are not necessarily representative of the Village.

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2012	9.2%	7.3%	8.5%
2013	8.3	6.3	7.7
2014	6.7	5.1	6.3
2015	5.7	4.5	5.3
2016	5.2	4.2	4.8

Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
October, 2016	5.0%	4.2%	4.8%
November	4.8	4.0	4.5
December	5.1	3.9	4.5
January, 2017	6.0	4.3	4.9
February	6.1	4.5	5.0
March	5.4	4.0	4.4
April	4.8	3.9	4.2
May	4.6	3.9	4.3
June	5.1	4.4	4.5
July	5.3	4.5	4.9
August	5.3	4.5	4.9
September	5.2	4.4	4.7

Source: New York State Department of Labor, Division of Research and Statistics. Information not seasonally adjusted.

Utilities

The residents of the Village receive electricity and natural gas services from Orange and Rockland Utilities and water services from the Suez Water Company. The Village owns and operates its own sewer collection system, but relies on the County Joint Regional Sewer Board for the treatment of such effluent.

Transportation

The Village is served by a network consisting of all major forms of transportation. Several primary State and U.S. Highways including the New York State Thruway, Palisades Interstate Parkway, Garden State Parkway, and Route #17 run through the County. The Coach USA Bus line as well as the Tor Bus Line provides transportation within the Village of Haverstraw. Freight service is provided by Conrail. Bus passenger service is provided to New York City and other points both within and outside the County. Air transportation is provided by the New York metropolitan airports (Kennedy, LaGuardia and Newark), Stewart International Airport in Newburgh, New York and Westchester County Airport in White Plains, New York.

Educational, Cultural and Medical Institutions

Primary education is provided by the Haverstraw-Stony Point Central School District (North Rockland Central School District). In addition, there are numerous colleges, universities and vocational schools located throughout the County. The Rockland County Community College (the “College”) in Suffern is a publicly supported two-year community college maintained by the County with an enrollment policy for high school graduates meeting certain residency requirements. The College also serves the Village with an extension site in the Village.

The Village has a public library (Haverstraw Kings Daughters Library), which sponsors various programs of general interest to adults and children throughout the year. In addition, Village residents are within an hour’s drive of New York City’s museums, theaters and other cultural activities.

Hospital services are provided by the Good Samaritan Hospital in Suffern, Nyack Health Center, Helen Hayes Hospital, Nyack Hospital in Nyack with locations in the Village. In addition, the County administers a variety of programs to help those in need of medical, mental health and dental services.

End of Appendix A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

VILLAGE OF HAVERSTRAW
Statement of Budgeted Revenues and Expenditures - General Fund
Fiscal Year Ending May 31:

	Adopted Budget <u>2017</u>	Adopted Budget <u>2018</u>
Revenues		
Real Property Taxes	\$6,930,337	\$7,038,684
Non-Property Tax Items	853,654	895,324
Departmental Income	427,000	445,000
Intergovernmental Charges	17,000	17,000
Use of Money & Property	59,305	83,500
Licenses & Permits	43,000	46,500
Fines and Forfeitures	225,000	225,000
Other Revenue	498,850	499,750
Appropriations	701,028	785,093
State Aid	229,243	204,243
Federal Aid	0	0
	<u>0</u>	<u>0</u>
 Total Revenues	 <u><u>\$9,984,417</u></u>	 <u><u>\$10,240,094</u></u>
 Expenditures		
General Government Support	\$2,230,762	\$2,227,592
Public Safety	713,402	698,522
Health	3,000	3,000
Transportation	1,487,939	1,535,431
Economic Assistance and Opportunity	15,000	17,500
Culture & Recreation	396,793	405,577
Home & Community Service	108,007	104,467
Interfund Transfers	265,477	297,181
Debt Service	2,350,844	2,475,308
Employee Benefits	2,413,193	2,475,516
	<u>2,413,193</u>	<u>2,475,516</u>
 Total Expenditures	 <u><u>\$9,984,417</u></u>	 <u><u>\$10,240,094</u></u>

Source: Adopted Budgets of the Village.

VILLAGE OF HAVERSTRAW
Comparative Balance Sheets - General Fund
Fiscal Year Ended May 31

	<u>2016</u>	<u>2017 (1)</u>
Assets:		
Cash and Equivalents	\$3,466,083	\$4,124,796
Taxes Receivable	25,324	25,324
Other Receivables		
Accounts	268,198	360,843
Due From Other Funds	1,074,336	1,737,967
Due From Other Governments	293,416	334,628
Prepaid Expenditures	70,046	56,402
	<u>\$5,197,403</u>	<u>\$6,639,960</u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	\$300,783	\$417,089
Accrued Expenses	42,251	37,371
Deposits	0	0
Due To Other Funds	284,366	1,093,051
Deferred Revenues	1,752	0
	<u>\$629,152</u>	<u>\$1,547,511</u>
Total Liabilities	<u>\$629,152</u>	<u>\$1,547,511</u>
Deferred Inflows of Resources	\$35,016	\$39,169
Fund Balance		
Non spendable	70,046	56,402
Restricted	474,714	441,861
Assigned	600,000	600,000
Unassigned	3,388,475	3,955,017
	<u>4,533,235</u>	<u>5,053,280</u>
Total Fund Balance	<u>4,533,235</u>	<u>5,053,280</u>
Total Liabilities and Fund Balance	<u>\$5,197,403</u>	<u>\$6,639,960</u>

(1) Unaudited

Source: Audited and Unaudited Financial Statements of the Village. Summaries not audited.

VILLAGE OF HAVERSTRAW
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended May 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>
<u>Revenues:</u>					
Real Property Taxes	\$6,485,633	\$6,556,895	\$6,600,056	\$6,954,597	\$7,161,396
Other Tax Items	243,603	274,559	256,112	348,106	362,861
Non-Property Taxes	508,103	522,815	550,123	577,782	574,683
Departmental Income	256,053	311,641	289,867	159,661	175,106
Intergovernmental Charges	21,174	19,784	19,306	18,272	18,353
Use of Money and Property	75,862	62,317	69,965	95,487	138,281
Miscellaneous	302,338	377,969	587,328	951,416	1,012,660
State Aid	387,320	207,000	361,322	270,981	287,729
Federal Aid	182,455	526,952	313,462	98,202	
Total Revenues	\$8,462,541	\$8,859,932	\$9,047,541	\$9,474,504	\$9,731,069
<u>Expenditures</u>					
General Government Support:	\$2,002,351	\$2,491,921	\$8,077,059	\$1,943,298	\$1,671,716
Public Safety	626,626	572,735	673,543	707,615	739,720
Transportation	1,525,255	1,377,454	1,445,298	1,397,052	1,494,938
Economic Assistance and Opportunity	14,422	21,149	13,683	11,627	6,880
Culture and Recreation	447,636	884,933	584,802	403,980	409,463
Home and Community Services	128,372	66,777	106,606	151,585	114,787
Employee Benefits	1,944,915	2,052,870	2,192,536	2,182,924	2,172,001
Debt Service	1,556,432	1,604,183	3,038,846	2,125,024	2,127,652
Interfund Transfers	0	0	0	0	0
Total Expenditures	\$8,246,009	\$9,072,022	\$16,132,373	\$8,923,105	\$8,737,157
<u>Other Sources and Uses</u>					
Operating Transfers In	\$547,047	\$0	\$0	\$0	\$0
Operating Transfers Out	(337,120)	(201,316)	(212,018)	(274,035)	(473,867)
Proceeds from Serial Bonds/BANS	0	500,000	7,845,000	0	0
Other Debt	0	0	0	0	0
Total Other Financing Sources (Uses)	\$209,927	\$298,684	\$7,632,982	(\$274,035)	(\$473,867)
Excess (Def) of Revenues and Transfers Over Expenditures	\$426,459	\$86,594	\$548,150	\$277,364	\$520,045
Fund Balance-Beginning of Year	\$3,197,266	\$3,621,127	\$3,707,721	\$4,255,871	\$4,533,235
Prior Period Adjustments	(2,598)	0	0	0	0
Beginning Fund Balance Restated	\$3,194,668	\$3,621,127	\$3,707,721	\$4,255,871	\$4,533,235
Fund Balance-End of Year	\$3,621,127	\$3,707,721	\$4,255,871	\$4,533,235	\$5,053,280

(1) Unaudited

Source: Audited and Unaudited Financial Statements of the Village. Summaries not audited.

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

The Undertaking to Disclose Certain Events will be supplied at closing in substantially the following form:

**EVENT NOTICES CERTIFICATE
PURSUANT TO RULE 15c2-12 OF THE
SECURITIES AND EXCHANGE COMMISSION**

On the date hereof, the Issuer is issuing the Notes, and hereby undertakes, in accordance with the requirements of the Rule, as follows:

A. Definitions. As used in this Undertaking, the following terms have the meanings ascribed to such terms below:

“Notes” means the Issuer’s (i) \$5,350,000 Bond Anticipation Renewal Notes, 2017 Series B (Federally Taxable) and (ii) \$1,800,000 Bond Anticipation Renewal Notes, 2017 Series C (Federally Taxable), each dated December 19, 2017.

“Issuer” means the Village of Haverstraw, Rockland County, New York.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Undertaking” means this Disclosure Undertaking.

B. Event Notices. The Issuer shall provide notice of any of the following events with respect to the Notes to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Notes (if applicable) or other material events affecting the tax status of the Notes;
- (7) Modifications to rights of holders of the Notes, if material;
- (8) Bond or Note calls, if material, and tender offers;

- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide a notice described in “B”, above, by the time required by this Undertaking.

C. Filings with the MSRB. All notices and other documents provided to the MSRB in accordance with this Undertaking shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

D. Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Undertaking for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Notes within the meaning of the Rule.

The provisions of this Undertaking are for the sole benefit of the holders and beneficial owners of the Notes, and nothing in this Undertaking, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the notices which it has expressly agreed to provide pursuant to this Undertaking and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Undertaking or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS UNDERTAKING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Undertaking shall constitute a breach of or default on the Notes.

Nothing in this Undertaking is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Undertaking may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Undertaking, as so amended, would have permitted an underwriter to purchase or sell Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of the Notes consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Notes. The Issuer may also repeal or amend the provisions of this Undertaking if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Undertaking in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

APPENDIX D

FORM OF LEGAL OPINION

December 19, 2017

Village of Haverstraw,
County of Rockland,
State of New York

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

Tel +1 212 318 3000
Fax +1 212 318 3400
nortonrosefulbright.com

Re: Village of Haverstraw, Rockland County, New York
\$5,350,000 Bond Anticipation Renewal Notes, 2017 Series B (Federally Taxable)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$5,350,000 Bond Anticipation Renewal Notes, 2017 Series B (Federally Taxable) (the "Obligation"), of the Village of Haverstraw, Rockland County, New York (the "Obligor"), dated December 19, 2017, payable December 19, 2018 at maturity.

We have examined such portions of the Constitution and Statutes of the State of New York as we deemed relevant. We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.
- (b) Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

December 19, 2017

Village of Haverstraw
Rockland County
State of New York

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

Tel +1 212 318 3000
Fax +1 212 318 3400
nortonrosefulbright.com

Re: Village of Haverstraw, Rockland County, New York
\$1,800,000 Bond Anticipation Renewal Notes, 2017 Series C (Federally Taxable)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,800,000 Bond Anticipation Renewal Notes, 2017 Series C (Federally Taxable) (the "Obligation"), of the Village of Haverstraw, Rockland County, New York (the "Obligor"), dated December 19, 2017, payable January 19, 2018 at maturity.

We have examined such portions of the Constitution and Statutes of the State of New York as we deemed relevant. We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount, except as to certain statutory limitations which may result from the application of Chapter 97 of the Laws of 2011 of the State of New York, as amended, provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said state or the federal government affecting the enforcement of creditors' rights; and (ii) may be subject to the exercise of judicial discretion in certain cases.
- (b) Under existing law, interest on the Obligation is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Obligation.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinion expressed herein. Such opinion is not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,