PRELIMINARY OFFICIAL STATEMENT DATED JULY 31, 2017

NEW ISSUE
SERIAL BONDS **Rating: See "Rating" herein**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to the Village, under existing statues, interest on the Bonds is exempt from personal income taxes of New York State and its subdivisions including The City of New York. See "Tax Matters" herein.

The Village WILL NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

$8,740,000*
REFUNDING SERIAL BONDS – 2017
(the "Bonds")

Dated Date: Date of Delivery **Maturity Dates: January 15, 2018, July 15, 2018 to 2030**

The Bonds are general obligations of the Village of Hempstead, Nassau County, New York (the "Village"), and will contain a pledge of the faith and credit of the Village for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Village, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "*Tax Levy Limit Law*" herein.)

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable semi-annually on January 15 and July 15 in each year until maturity, commencing January 15, 2018. The Bonds shall mature on the dates in the years in the principal amounts specified on the inside cover page hereof. The Bonds maturing in certain years will be subject to redemption prior to their stated maturity, as specified on the inside cover page hereof. See "*Optional Redemption*," herein.

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds 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 the Bonds as described herein. See "*Book-Entry-Only System*" herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the offices of DTC on or about August 30, 2017.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE VILLAGE FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE VILLAGE'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: July __, 2017

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* Preliminary, subject to change.

The Bonds mature on the dates in the years, subject to prior redemption, as set forth below:

Date	Amount*	Interest Rate	Yield	CUSIP***	Date	Amount*	Interest Rate	Yield	CUSIP***
1/15/2018	$ 60,000	%	%		7/15/2024	$ 850,000	%	%	
7/15/2018	110,000				7/15/2025	655,000			
7/15/2019	285,000				7/15/2026	675,000			
7/15/2020	785,000				7/15/2027	690,000			
7/15/2021	805,000				7/15/2028	710,000			
7/15/2022	810,000				7/15/2029	730,000			
7/15/2023	830,000				7/15/2030	745,000			

* The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the accompanying Notice of Sale to effectuate the Village's refunding plan and to achieve substantially level or declining annual debt service.

** Subject to optional redemption prior to maturity, as discussed herein. See "*Optional Redemption*" herein.

*** CUSIP numbers have been assigned by an independent company not affiliated with the Village and are included solely for the convenience of the holders of the Bonds. The Village is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

MAYOR
DON RYAN

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

FINANCIAL ADVISOR

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Great Neck and New York, New York
(516) 487-9817

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Village. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Village from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion 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 since the date hereof.

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APPENDIX A

OFFICIAL STATEMENT
of the
VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

relating to

$8,740,000*
REFUNDING SERIAL BONDS – 2017
(the "Bonds")

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Village of Hempstead, in the County of Nassau, in the State of New York (the "Village", "County" and "State," respectively) in connection with the sale of $8,740,000* Refunding Serial Bonds – 2017 (the "Bonds").

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 and all references to the Bonds and the proceedings of the Village relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable semi-annually on January 15 and July 15 in each year until maturity, commencing January 15, 2018. The Bonds shall mature on the dates in the years in the principal amounts specified on the inside cover page hereof. The Bonds maturing in certain years will be subject to redemption prior to their stated maturity. (See "*Optional Redemption*" herein).

The Bonds will be issued as fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds 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 the Bonds as described under "*Book-Entry-Only System*" herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Village referred to therein.

The record date for payment of principal and interest on the Bonds is the last business day of the calendar month preceding each interest payment date.

Authorization and the Refunding Plan for the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Village Law and the Local Finance Law, and the refunding bond resolution duly adopted by the Village Board of Trustees on July 5, 2017. A refunding financial plan has been prepared and is described below (the "Refunding Plan").

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*Preliminary, subject to change.

The Bonds are being issued to refund up to $1,155,000 outstanding principal of the Village's Various Purposes Serial Bonds – 2009 Series A, which mature in the years 2020 to 2025, inclusive (the "Refunded 2009 Bonds") and up to $6,990,000 outstanding principal of the Village's Various Purposes Serial Bonds – 2010, which mature in the years 2020 to 2030, inclusive (the "Refunded 2010 Bonds" and together with the Refunded 2009 Bonds, the "Refunded Bonds"). The Refunded 2009 Bonds were issued in the original principal amount of $2,435,000. The Refunded 2010 Bonds were issued in the original principal amount of $10,517,000. Under the Refunding Plan, the Refunded 2009 Bonds are to be called and redeemed on February 15, 2019. Under the Refunding Plan, the Refunded 2010 Bonds are to be called and redeemed on July 15, 2019. The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company, (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Village and the Escrow Holder, dated as of the delivery date of the Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of and interest on the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Village and the Escrow Contract, to pay the redemption price of the Refunded Bonds on the earliest respective date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the Village to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the Village. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal and interest requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded 2009 Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
February 15, 2020	$ 170,000	4.250%	February 15, 2019 @ 100%	424686 WL3
February 15, 2021	180,000	4.250	February 15, 2019 @ 100%	424686 WM1
February 15, 2022	185,000	4.375	February 15, 2019 @ 100%	424686 WN9
February 15, 2023	195,000	4.500	February 15, 2019 @ 100%	424686 WP4
February 15, 2024	205,000	4.500	February 15, 2019 @ 100%	424686 WQ2
February 15, 2025	220,000	4.500	February 15, 2019 @ 100%	424686 WR0
Total:	$1,155,000			

*Preliminary, subject to change.

Refunded 2010 Bonds:

Maturity Date	Principal*	Interest Rate	Redemption Date/Price*	CUSIP
July 15, 2020	$ 505,000	4.000%	July 15, 2019 @ 100%	424686 XF5
July 15, 2021	530,000	4.000	July 15, 2019 @ 100%	424686 XG3
July 15, 2022	550,000	4.000	July 15, 2019 @ 100%	424686 XH1
July 15, 2023	575,000	4.000	July 15, 2019 @ 100%	424686 XJ7
July 15, 2024	600,000	4.000	July 15, 2019 @ 100%	424686 XK4
July 15, 2025	630,000	4.000	July 15, 2019 @ 100%	424686 XL2
July 15, 2026	660,000	4.000	July 15, 2019 @ 100%	424686 XM0
July 15, 2027	690,000	4.000	July 15, 2019 @ 100%	424686 XN8
July 15, 2028	720,000	4.000	July 15, 2019 @ 100%	424686 XP3
July 15, 2029	750,000	4.000	July 15, 2019 @ 100%	424686 XQ1
July 15, 2030	780,000	4.000	July 15, 2019 @ 100%	424686 XR9
Total:	$6,990,000			

*Preliminary, subject to change.

Sources and Uses of Proceeds

Sources:	
Par Amount	
Net Original Issue Premium/Discount	
Total:	
Uses:	
Refunding Escrow Deposit:	
Costs of Issuance and Contingency	
Underwriter's Discount	
Total:	

Verification of Mathematical Computation

Causey Demgen and Moore P.C. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen and Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

Optional Redemption

The Bonds maturing on or before July 15, 2025, are not subject to prior redemption. The Bonds maturing on or after July 15, 2026 will be subject to redemption prior to maturity at the option of the Village on any date on or after July 15, 2025, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of par, plus accrued interest to the date of redemption.

The Village may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Village shall determine to be in the best interest of the Village at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Village by lot in any customary manner of selection as determined by the Village. Notice of such call for redemption shall be given by mailing such notice to the registered owner more than sixty (60) days, nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

The Bonds 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. For the payment of such principal of and interest on the Bonds, the Village has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Village, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein.)

Under the Constitution of the State, the Village is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Village complies with certain procedural requirements to permit the Village to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the Village default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds are general obligation contracts between the Village and the owners for which the faith and credit of the Village are pledged and while remedies for enforcement of payment are not expressly included in the Village's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Village. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Village to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Village and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Village to assess, levy and collect an ad valorem tax, upon all taxable property of the Village subject to taxation by the Village sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, Village or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Village.

Pursuant to Article VIII, Section 2 of the State Constitution, the Village is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "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 holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may 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 or interest payment on Village indebtedness is past due. The Village has never defaulted in the payment of the principal of and/or interest on any indebtedness.

MUNICIPAL BANKRUPTCY

The undertakings of the Village should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Village could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Village after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Village, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any 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. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Village in the future cannot be assured.

No current state law purports to create any priority for holders of the Bonds 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 above references to the Bankruptcy Act are not to be construed as an indication that the Village is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the Cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and in certain cases approve or disapprove collective bargaining agreements. Implementation is generally left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, upon the issuance of a certificate of necessity of the Governor reciting facts which in the judgment of the Governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of a local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the "FRB"), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to $5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene in the finances and operations of entities such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Village has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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, and will be deposited with DTC.

DTC, the world's largest depository, 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. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("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 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, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 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; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants 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 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 Bonds 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, bond 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 sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Village's credit rating could be affected by circumstances beyond the Village's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Village property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Village's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Village to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Village is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The Village's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Village fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Village is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Village will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially 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 "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Village, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (See "*The Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Village could impair the financial condition of such entities, including the Village and the ability of such entities, including the Village to pay debt service on their respective obligations.

LITIGATION

The Village is subject to a number of lawsuits in the ordinary conduct of its affairs. The Village does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Village.

Not unlike some other jurisdictions in Nassau County, the Village has experienced a significant number of tax certiorari petitions by various taxpayers in the Village in recent years. From time to time, the Village has issued debt obligations to fund settled or adjudicated claims. At this time, the Village does not believe that the outcome of current tax certiorari petitions will have a material adverse effect on the financial condition of the Village.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of the Village (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village in connection with the Bonds, and Bond Counsel has assumed compliance by the Village with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Village, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Village, in executing the Tax Certificate, will certify to the effect that the Village will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires the Bonds for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto in Appendix D to this Preliminary Official Statement.

DISCLOSURE UNDERTAKING

In order to assist the purchaser in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Village will execute a Certificate to Provide Continuing Disclosure, the form of which is attached hereto as Appendix E to this Preliminary Official Statement.

Compliance History

For 2012, the Village made a late filing of its annual financial information and operating data.

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

The Village has reviewed and modified its continuing disclosure practices to ensure that all material event notices are filed in a timely manner.

RATING

The Village has applied to S&P Global Ratings ("S&P") for a rating on the Bonds. Such application is pending at this time.

On July 11, 2016, S&P affirmed the Village's long-term underlying credit rating of "AA-" with a stable outlook.

With respect to the S&P's rating applicable to uninsured debt, such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Standard & Poor's Corporation, 25 Broadway, New York, New York 10004. 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 S&P circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

FINANCIAL ADVISOR

Capital Market Advisors, LLC, Great Neck and New York, New York (the "Financial Advisor"), is an independent registered municipal advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor has served as the independent financial advisor to the Village in connection with this transaction.

In preparing the Official Statement, the Financial 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 Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial 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 Financial 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 Bonds or the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from Mr. Raymond J. Calame, Village Treasurer, (516) 478-6224, rcalame@villageofhempsteadny.gov or from the Village's Financial Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, (516) 487-9817. The Village Clerk will act as Paying Agent with respect to the Bonds. The Village Treasurer noted above is the Paying Agent contact.

So far as any statements made in this Official Statement involve matters or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any other statement which may have been made verbably or in writing is to be construed as a contract with the holders of the Bonds.

Capital Markets Advisors, LLC 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. Capital Markets Advisors, LLC 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 Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC 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. Capital Markets Advisors, LLC 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 Bonds by the Village and may not be reproduced or used in whole or in part for any other purpose.

VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK

By:_____________________________
Raymond J. Calame
Village Treasurer

DATED: July __, 2017

APPENDIX A

THE VILLAGE

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THE VILLAGE

General Information

The Village, incorporated as a municipal government by the State in 1853, is located in the geographical center of Nassau County (the "County") on Long Island in the Town of Hempstead (the "Town"), approximately 22 miles from the center of Manhattan. Dating from the period before its incorporation, the Village was a major center of Long Island society. During the Spanish-American War, Camp Black was established in the Village as a training facility and a point of embarkation for troops.

In the late 1800s and early 1900s, many of the prominent New York financiers and industrialists decided to build permanent summer homes in the Village. After World War I, the population greatly increased as city dwellers were attracted to the benefits of suburban living. The Village became a desirable place to live, as it was a well-established community with convenient shopping, already existing public services, and within commuting distance from Manhattan. In later years, country estates gave way to middle-income housing, and the Village became increasingly urbanized.

The Village continues to maintain a diverse economic base. The majority of the homes within the Village are single-family residences; however, there are several apartment complexes. The Village has a large commercial base, although, for many years, the Village has faced pressing economic challenges as its central business district slowly declined with the closures of major retailers and the nearby Mitchel Air Field.

The Village is home to Hofstra University, a number of nonprofit agencies and the Nassau County District Court. The Village is bounded on the north by the Village of Garden City, to the west by the unincorporated area of West Hempstead, to the south by the unincorporated area of South Hempstead, and to the east by the unincorporated areas of Uniondale and East Meadow.

Its estimated 2015 population of 55,547 (according to the U.S. Census Bureau) makes it the largest village in the State, encompassing an area of approximately 3.8 square miles.

Downtown Redevelopment

In the 1990s, when the Village's Master Plan was adopted, various downtown rehabilitation initiatives were implemented to spur economic growth. A considerable infusion of state and federal funding, as well as private investment, have enabled the replacement of blighted storefronts, complete commercial building rehabilitations and the development of affordable housing for Village residents. Major accomplishments include the development of the Hempstead Village Commons, a 100,000 square foot retail center located at the former Times Square Store site. The Commons is anchored by Home Depot, Super Stop-n-Shop, Old Navy and Staples.

Additionally, a $9 million bus terminal opened in 1993 and has 26 routes and approximately 13,000 riders passing through the Village daily. In 1997, the rundown Rivoli Theater gave way to a 150,000 square foot building to house 112 units of rental housing with retail space on the first floor. In 2001, the Long Island Railroad completed its construction of a $15.6 million terminal in the Village. State and federal funds have also been dedicated to the expansion of parking spaces in the local business district.

Downtown Revitalization and Redevelopment

The Village has begun revitalization efforts in the downtown area and has entered into an agreement and designated a master developer to lead the process. The plan provides for building upon the existing downtown location and transit opportunities while incorporating mixed use development. To date, the Village has completed and has approved an Environmental Impact Study ("EIS") as well as a downtown overlay zone which will allow for 3,434 residential units, provide for 383,000 square feet of office space and 283,000 square feet of retail and restaurant space, as well as an additional 1,200,000 square feet of artisan production, healthcare, technical school and trade academy space.

In December 2011, Empire State Development (the "ESD") awarded the Village $5,000,000 to evaluate, design and begin construction of sewer system upgrades and improvements required in support of this transformative downtown construction and revitalization project. The initial evaluation of the system which is part of the grant is currently on hold pending review by the ESD. The development is moving forward and the Master Developers Phase 1 project has been approved by the Planning Board.

Transportation

Commuting facilities to New York City include daily train service provided by the Long Island Railroad, Hempstead Branch, for which the Village is the terminus.

The Hempstead Bus Terminal is the point of origin, destination or junction point of numerous bus routes of Long Island Bus, a subsidiary of the Metropolitan Transportation Authority, connecting the Village with many communities on Long Island. Greyhound Bus Lines provides service to upstate New York, New England and all parts of the United States.

The Village is approximately 10 miles from John F. Kennedy International Airport and approximately 12 miles from LaGuardia International Airport. In addition, MacArthur Airport is located approximately 30 miles east of the Village in the Town of Islip in Suffolk County.

The Village is served by a network of highways and parkways, including the Long Island Expressway, the Northern State Parkway, the Southern State Parkway, and the Meadowbrook State Parkway. These routes provide easy access to all of Long Island and New York City.

Education and Culture

Four school districts provide elementary, middle and high school education for Village residents. The majority of students attend the Hempstead Union Free School District, with remaining students attending the Uniondale Union Free School District; the Rockville Centre and West Hempstead Union Free School Districts.

Hofstra University is also located in the Village, although part of the campus extends beyond the Village borders. Hofstra University, founded in 1935 as an extension of New York University, is, at present, one of the largest private universities in the eastern United States. In addition to basic liberal arts and sciences, law, business and education degrees are offered by the university.

Additional higher educational facilities are available nearby at Nassau Community College, Adelphi University, C.W. Post College, Molloy College, several technical institutes and the U.S. Merchant Marine Academy.

Form of Government

The Village is vested with such powers and has the responsibilities inherent in the operation of a 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 four independent school districts operating in the Village possess the same powers with respect to taxation and debt issuance as the Village. Village residents also pay real property taxes to the Town and the County to support programs conducted by these two governmental entities.

Government operations of the Village are subject to the provisions of the State Constitution and various statutes affecting Village governments including the Village Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law.

Elected and Appointed Officials

As prescribed by Village Law, the chief executive officer of the Village is the Mayor, who is elected for a term of four years and is eligible to succeed himself. The Mayor is also a member of the Board of Trustees of the Village, (the "Board") the legislative, governing and policy determining body of the Village. In addition to the Mayor, the Board consists of four trustees who are elected for four-year terms. These terms are staggered so that the Mayor and two of the trustees run for election in one year and the other two trustees run the following year. The Village Justice is the only other elected official of the Village.

The Mayor appoints all department heads and non-elected officials subject to the approval of the Board, including the Village Treasurer, Village Attorney and Village Clerk.

The Village Treasurer, as chief fiscal officer of the Village, is responsible for receipt, investment and disbursement of the Village funds as well as the issuance of obligations of the Village. The Village Clerk, in addition to regular duties of that office, is also the Tax Collector.

The Village Treasurer, as budget officer, also prepares the proposed budget each year, pursuant to the laws of the State, and a public hearing is held thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Board of Trustees of the Village as the Village's final budget for the coming fiscal year. The budget is not subject to referendum.

Village Administration

Don Ryan is the current mayor of the Incorporated Village of Hempstead. He previously served as a trustee, a position he held since 2001. Mayor Ryan's vision is for the Village to be a thriving suburban village where residents can live safely, afford to raise a family and find meaningful employment with career job training. As Mayor, he is committing to expanding transparency in local government and encourages the expansion of commercial and light industrial tax base to help ease the overall tax base.

Mayor Ryan is dedicated to the improvement of the Village's financial operations. The Mayor and his staff continue to examine every facet of the Village's operations in an effort to streamline costs, enhance revenues, and develop innovative approaches to solve the Village's financial difficulties.

Village Services

The Village provides its residents with many of the services traditionally provided by village governments. In addition, the Town and County furnish certain other services. A list of services provided by the Village include the following: police and fire protection, on and off-street parking facilities, parks playgrounds and recreation centers, street maintenance, street lighting, sanitary and storm sewers, refuse and garbage collection, a public library and a water system. Electricity in the Village is provided by the Long Island Power Authority.

Health care for Village residents is provided by hospitals located in or near the Village, including Mercy Medical Center, South Nassau Community Hospital, Nassau University Medical Center, Winthrop Hospital, and North Shore University Health System.

Employees

The Village provides services through approximately 358 full-time employees, which are represented by two labor organizations. Membership in each is as follows:

Employees Represented	Union Representation	Contract Expiration Date
228	CSEA	05/31/20
130	Police Benevolent Association	05/31/20

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' Retirement System or the New York State and Local Police and Fire Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employer 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, except for employees hired after April 1, 2012. 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 must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

On December 10, 2009, Governor Paterson signed into law a new Tier V. The law is effective for new ERS and PFRS employees hired between January 1, 2010 and March 31, 2012. New ERS and PFRS employees will now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law a New Tier VI pension program, effective for new ERS and TRS employees hired on or after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

Under applicable law, the contribution for a given fiscal year is based on the value of the pension fund on the prior April 1. Current law also allows for the Village to make payments in December or February of the following year.

The Retirement System Law requires the Village to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible. For the 2016 bill, the Village's required contribution was $3,110,146 to ERS and $4,440,453 to PFRS for a total of $7,550,599, which was paid in December 2015. For the 2017 bill, the Village's required contribution was $2,762,059 to ERS and $4,532,162 to PFRS for a total of $7,294,221, which was paid in December 2016.

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 and subsequent years will be higher than the minimum contribution rate established by law. 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, legislation has been proposed that would permit local governments and schools districts to issue bonds to fund the required increased contribution. The Village cannot predict at this time whether such legislation will be enacted into law.

Other Post Employment Benefits

GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. 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 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 liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in meeting its ARC.

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 1, 2015 was $220,573,000. 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 $15,529,700. 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 has decided to continue funding the expenditure on a pay-as-you-go basis.

FINANCIAL FACTORS

Independent Audit

The financial statements of the Village are audited by the firm of Nawrocki Smith LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for each of the last five fiscal years ended May 31. The Village's audited financial statements for the fiscal year ended May 31, 2016 may be accessed by following the link appearing in Appendix C.

Fund Structure and Accounts

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

The Village has three basic fund types, Governmental, Proprietary and Fiduciary. Governmental Funds are those through which most governmental functions of the Village are processed and include the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Funds. The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds. Special Revenue Funds account for proceeds of specific revenue sources. The Special Revenue Funds maintained by the Village is the Water Fund. Proprietary Funds are used to account for ongoing organizations or activities which are similar to those often found in the private sector. The Village maintains an Internal Service Fund. Fiduciary Funds are used to account for assets held in a trustee or custodial capacity.

Basis of Accounting

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental and fiduciary funds. Under this method, (1) revenues are recorded when received in cash except that for revenues which are material and susceptible to accrual (measurable and available to finance the current year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay, and accrued interest are recorded at the time liabilities are incurred. The Proprietary Fund types are accounted for on the accrual basis of accounting as commercial self-sustaining operations that render services to the public on a user-charge basis.

Recent Financial Operations

In some past years the Village suffered financial setbacks due to reductions in State aid, real property tax delinquencies, a declining tax base as a result of reductions in real property assessments pursuant to tax certiorari proceedings, revenue shortfalls, and increasing costs such as employee health care and pension payments.

The Village has sought to raise revenues by increasing taxes, fees and fines, and by attracting new businesses to expand the Village's tax base.

2012 Audited Results. For the fiscal year ended May 31, 2012, based on audited results, General Fund revenues and other sources were approximately $67.94 million and General Fund Expenditures and other uses were $65.67 million, which resulted in an operating surplus of $2,269,887 and a cumulative General Fund balance of $13,835,694.

2013 Audited Results. For the fiscal year ended May 31, 2013, based on audited results, General Fund revenues and other sources were approximately $75.9 million and General Fund Expenditures and other uses were $74.5 million, which resulted in an operating surplus of $1,433,777 and a cumulative General Fund balance of $15,269,472.

2014 Audited Results. For the fiscal year ended May 31, 2014, based on audited results, General Fund revenues and other sources were approximately $71.7 million and General Fund Expenditures and other uses were $73.0 million, which resulted in an operating deficit of $1,230,361 and a cumulative General Fund balance of $14,039,111.

2015 Audited Results. For the fiscal year ending May 31, 2015, based on audited results, General Fund revenues and other sources were approximately $80.1 million and General Fund Expenditures and other uses were $78.2 million, which resulted in an operating surplus of $1,878,637 and a cumulative General Fund balance of $15,917,748.

2016 Audited Results. For the fiscal year ending May 31, 2016, based on audited results, General Fund revenues and other sources were approximately $79.0 million and General Fund Expenditures and other uses were $75.2 million, which resulted in an operating surplus of $3,773,623 and a cumulative General Fund balance of $20,404,479.

2017 Adopted Budget. For the fiscal year ending May 31, 2017, budgeted General Fund Revenues are $78.1 million and General Fund Expenditures and other uses are $78.1 million. (See "Appendix B" herein for a summary of the 2017 Adopted Budget.)

2018 Adopted Budget. For the fiscal year ending May 31, 2018, budgeted General Fund Revenues are $81.1 million and General Fund Expenditures and other uses are $81.1 million. (See "Appendix B" herein for a summary of the 2018 Adopted Budget.)

Revenues

The Village derives a major portion of its General Fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes accounted for 84.4% of total General Fund revenues for the fiscal year ended May 31, 2016 and State aid accounted for 2.0%.

Real Property Tax. The following table sets forth the total General Fund and real property tax revenues for the last five audited fiscal years and the budgeted amounts for the two most recent fiscal years.

Property Taxes

Fiscal Year Ending May 31:	Total Revenues	Real Property Taxes(1)	Real Property Taxes to Revenues
2012	$67,939,145	$56,006,966	82.4%
2013	69,236,096	57,970,220	83.7
2014	71,728,123	59,930,242	83.6
2015	74,080,863	62,578,328	84.5
2016	79,013,092	66,709,609	84.4
2017 (Adopted Budget)	78,109,106	67,064,846	85.9
2018 (Adopted Budget)	81,133,962	67,289,514	82.9

(1) Inclusive of other property tax items.

Source: Audited Financial Statements and Adopted Budgets for the Village. Table itself not audited.

State Aid. The Village receives financial assistance from the State. State Aid is expected to account for approximately 1.4% of the total general fund revenues of the Village in the 2017-2018 fiscal year. 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 this year or future years, 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 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. State budgetary restrictions which eliminate or substantially reduce State aid could have an 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 FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE" herein).

Due to the current fiscal crisis occurring in the State and nation, there may be reductions in State aid to municipalities and school districts, including the Village, in future fiscal years.

The following table sets forth the total general fund and state aid revenues for the last five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

State Aid

Fiscal Year Ending May 31:	Total Revenues	State Aid	State Aid to Revenues
2012	$67,939,145	$1,491,742	2.2%
2013	69,236,096	1,416,299	2.1
2014	71,728,123	1,495,915	2.1
2015	74,080,863	1,958,186	2.6
2016	79,013,092	1,552,960	2.0
2017 (Adopted Budget)	78,109,106	1,125,042	1.4
2018 (Adopted Budget)	81,133,962	1,125,042	1.4

Source: Audited Financial Statements and Adopted Budgets for the Village. Table itself not audited.

Investment Policy 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.

The Village may also temporarily invest moneys 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.

The Village Board had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Village are made in accordance with such policy. A copy of such policy is available upon request.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

The Village levies and collects its own taxes. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments. The first installment is due on June 1 each year and is payable without penalty during the month of June. The second installment is due on December 1 and is payable without penalty during the month of December. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. The Village enforces liens for unpaid real estate taxes in the manner set forth in the Real Property Tax Law. Tax lien sales are held annually. (See "TAX LEVY LIMIT LAW" and "Tax Lien Sales" herein.)

The following table reflects the real property tax levies and the total amounts collected in each of the last five fiscal years.

Real Property Tax Levies and Collections

Fiscal Year Ending May 31:	Gross Tax Levy[(1)]	Total Taxes Collected	Percentage of Taxes Collected
2013	$61,118,851	$59,270,127	97.0%
2014	62,338,346	60,567,703	97.2
2015	64,993,333	63,762,185	98.1
2016	68,407,309	67,256,998	98.3
2017	68,563,382	67,726,592	98.8

(1) The Gross Tax Levy includes real property taxes, user fees for refuse and garbage collection and disposal, and direct assessments unpaid from the previous year and transferred to the tax rolls.

Tax Lien Sales

The Village conducts sales of outstanding tax liens in May of each year for tax liens created in the current fiscal year. The table below reflects the revenue from these annual tax lien sales for the last five years.

Annual Property Tax Lien Sale Revenue

Fiscal Year Ending May 31:	Revenue from Tax Lien Sales
2013	$2,419,837
2014	2,157,280
2015	2,425,328
2016	2,617,647
2017	2,429,668

Real Property Tax Rates, Levies and Assessments

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.

Tax Rates, Levies and Assessments

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Assessed Valuation	$76,266,472	$76,632,637	$75,874,619	$75,120,042	$74,489,298
Equalization Rates	2.87%	2.90%	2.73%	2.55%	2.44%
Full Valuation	$2,657,368,362	$2,642,504,724	$2,779,290,073	$2,945,884,000	$3,052,840,082
Village Tax Levy	57,058,735	59,372,974	62,710,071	62,710,071	62,710,071
Tax Rates per $1,000 A.V.	748.15	774.77	826.50	834.80	841.87

Source: New York State Office of Real Property Services and Village Officials.

Tax Limit

The Village is responsible for preparing the tax assessment role and 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, 2018.

Real Property Tax Assessment and Rates

Assessment Year	Fiscal Year Ending May 31:	Assessed Valuation	State Equalization Ratio	Full Valuation
2012	2013	$78,154,716	2.58%	$ 3,029,252,558
2013	2014	76,266,472	2.87	2,657,368,362
2014	2015	76,632,637	2.90	2,642,504,724
2015	2016	75,874,619	2.73	2,779,290,073
2016	2017	75,120,042	2.55	2,945,884,000
			Total:	$14,054,299,717

Five-Year Average Valuation	$ 2,810,859,943
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:	56,217,199
Real Estate Tax Levy for 2016-2017	62,710,071
Less: Exclusions	8,585,827
Tax Levy Subject to Tax Limit	54,124,244
Constitutional Net Tax Margin	$ 2,092,955
Percent of Tax Limitation Exhausted	96.28%

Source: Office of the New York State Comptroller and the Village.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the "Tax Levy Limit Law") on June 24, 2011, all the taxable real property within the Village has been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 continuing through June 15, 2016 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board of Trustees first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Village, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Village or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

Ten Largest Taxpayers

The following table presents the total 2017-2018 assessed valuations of the Village's largest property owners.

Assessed Valuations

Property Owner	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation[1]
Long Island Power Authority	Public Utility	$ 1,338,649	1.80%
BRE DDR IVA HUB	Shopping Plaza	901,022	1.21
Keyspan	Public Utility	835,668	1.12
Greenwich Nursing Home	Apartments	700,000	0.94
Hempstead Plaza LLC	Office Building	671,085	0.90
Clinton Washington LLC	Apartments	637,700	0.86
New Greenwich Gardens	Apartments	551,000	0.74
Verizon	Public Utility	453,321	0.61
Wendell Terrace Owners	Apartments	450,000	0.60
Heritage Place LLC	Apartments	425,000	0.57
	Total:	$ 6,963,445	9.35%

(1) The total assessed valuation of the Village used for the 2017-2018 year is $74,489,298.

VILLAGE INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits 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.

Purpose and Pledge. 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 years 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) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Village determines to issue debt amortizing on the basis of 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 serial bonds and bond anticipation notes.

General. The Village is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Village to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Village to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including 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 such bonds, by the adoption of a 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 Village Board.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations.

Each bond resolution usually authorizes the construction, acquisition or installation of 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.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements").

In addition, under each bond resolution, the Village Board may delegate, and has delegated, power to issue and sell bonds and notes to the Village Treasurer, the chief fiscal officer of the Village.

In general, the Local Finance Law contains similar provisions providing the Village with power to issue general obligation revenue anticipation notes, tax anticipation notes and budget notes.

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven centum of the most recent five-year average full valuation of taxable real estate of the Village and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

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 principal and interest on all indebtedness.

Constitutional Debt Limit

The following table sets forth the constitutional debt limit of the Village.

Constitutional Debt Limit

Assessment Roll	Fiscal Year	Assessed Valuation	Equalization Rate	Full Valuation
2013	2014	$76,266,472	2.87%	$ 2,657,368,362
2014	2015	76,632,637	2.90	2,642,504,724
2015	2016	75,874,619	2.73	2,779,290,073
2016	2017	75,120,042	2.55	2,945,884,000
2017	2018	74,489,298	2.44	3,052,840,082
Total Five-Year Full Valuations				$14,077,887,241
Average Full Valuation				$ 2,815,577,448
Debt Limit – Seven (7) per centum of Average Full Valuation				$ 197,090,421

Source: Office of the State Comptroller, Real Property Services

Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness
(As of July 31, 2017)

Debt-Contracting Limitation:		$197,090,421
Gross Direct Indebtedness:		
Bonds:		
General Purpose	$ 39,418,572	
Water Purpose	5,196,428	
Short Term Obligations:		
Bond Anticipation Notes	2,875,000	
Total Gross Direct Indebtedness		$ 47,490,000
Less Exclusions and Deductions:		
Water Debt	$ 5,196,428	
Appropriations for Non-Exempt Indebtedness During 2017/2018 Fiscal Year	2,083,750	
Total Exclusions:		$ 7,280,178
Total Net Direct Indebtedness		$ 40,209,822
Debt-Contracting Margin		$156,880,599
Percentage of Debt-Contracting Power Exhausted		20.40%

Source: Village Officials.

Bond Anticipation Notes

On July 20, 2017, the Village issued $2,875,000 Bond Anticipation Notes – 2016 which mature on July 20, 2018.

Tax and Revenue Anticipation Notes

The Village has not issued tax or revenue anticipation notes in the last five years and does not anticipate the issuance of tax or revenue anticipation notes in the current fiscal year.

Direct and Overlapping Indebtedness

The real property taxpayers of the Village are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. 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 table below 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 instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness

Issuer	Net Debt Outstanding	As of:	Village Share	Amount Applicable To Village
Nassau County	$3,593,312,000	04/30/17	1.40%	$ 50,306,368
Town of Hempstead	231,220,386	03/28/17	3.11	7,190,954
Hempstead UFSD	29,895,000	06/30/16	100.00	29,895,000
Uniondale UFSD	1,290,000	06/30/16	18.70	241,230
Rockville Centre UFSD	50,945,000	07/20/16	0.40	203,780
West Hempstead UFSD	7,685,000	10/04/16	0.75	57,638
Total Net Overlapping Debt				$ 87,894,970
Total Net Direct Debt				40,209,822
Net Direct and Overlapping Debt				$128,104,792

Debt Ratios

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

Debt Ratios

	Amount	Debt Per Capita (1)	Debt to Full Value (2)
Net Direct Debt	$ 40,209,822	$ 724	1.32%
Net Direct and Overlapping Debt	128,104,792	2,306	4.20

(1) The estimated population of the Village is 55,547 according to the U.S. Census Bureau.
(2) The Village's full value of taxable real property used to levy taxes in 2017-2018 is $3,052,840,082.

Trend of Outstanding Indebtedness

The following table provides information relating to the indebtedness outstanding at year-end for each of the five prior fiscal years.

Outstanding Indebtedness

	2013	2014	2015	2016	2017(1)
Bonds:	$57,070,000	$52,970,000	$54,165,000	$50,435,000	$46,290,000
Bond Anticipation Notes:	0	0	0	0	2,875,000
Total:	$57,070,000	$52,970,000	$54,165,000	$50,435,000	$49,165,000

(1) Unaudited.
Source: Audited Financial Statements of the Village. Table itself is not audited.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Village's outstanding bonded indebtedness, exclusive of the Bonds and economically defeased obligations, for the fiscal years ending as follows.

Bond Principal and Interest Maturity

Fiscal Year Ending May 31:	Principal	Interest	Total Debt Service
2018[1]	$ 3,740,000	$ 1,393,489	$ 5,133,489
2019	3,870,000	1,270,864	5,140,864
2020	3,985,000	1,148,040	5,133,040
2021	4,100,000	1,018,789	5,118,789
2022	4,250,000	882,214	5,132,214
2023	4,390,000	746,861	5,136,861
2024	4,270,000	622,454	4,892,454
2025	4,400,000	501,069	4,901,069
2026	2,650,000	394,475	3,044,475
2027	2,320,000	319,807	2,639,807
2028	2,340,000	246,973	2,586,973
2029	1,615,000	173,638	1,788,638
2030	1,665,000	117,375	1,782,375
2031	1,730,000	58,800	1,788,800
2032	475,000	21,825	496,825
2033	490,000	7,350	497,350
Total:	$ 46,290,000	$ 8,924,023	$ 55,214,023

(1) For the entire fiscal year.
Source: Village Officials.

Prospective Capital Financing

The Village expects to continue the practice of issuing serial bonds to address its capital needs. The Village has additional debt of $3,840,920 authorized but unissued for water plant improvements pursuant to a resolution adopted on May 15, 2012. The Village expects to authorize and issue approximately $6 million in bonds or notes for water plant improvements over the next one to three years.

The Village has $1,625,000 in authorized but unissued debt pursuant to bond resolutions adopted on May 17, 2016 authorizing road reconstruction and certain embellishments to parks, playgrounds and recreational areas.

The Village maintains a five-year capital improvement plan that totals $68.6 million. The plan is expected to be funded largely by general obligation bonds or notes. Every effort will be made by the Village to secure Federal funds to supplement the issuance of bonds or notes. The Village assesses its capital needs on an annual basis and adjusts the capital improvement plan as circumstances and needs change.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends based upon 2010 U.S. census data.

Population Trend

	2000	2010	% Change 2000/2010
Village	56,554	53,891	-4.71%
Town	755,924	769,040	1.74
County	1,334,544	1,339,532	0.37
State	18,976,457	19,379,102	2.12

Income

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

Median Household Income

	2000	2010	% Change 2000/2010
Town	$77,533	$87,382	12.7%
County	79,926	91,104	14.0
State	52,280	54,148	3.6

Source: U.S. Census Bureau.

Employment and Unemployment

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

Major Employers in the Village

Name of Employer	Nature of Business	Number of Employees
Hofstra University	Higher Education	4,000
Town of Hempstead	Government	2,000
Hempstead Public Schools	Education	585
Village of Hempstead	Government	401
Home Depot	Retail	250
Mayfair Nursing Home	Health Care	230
Stop & Shop	Retail	150
JPMorgan Chase Bank	Banking	100

Source: Village Officials.

Civilian Labor Force

	2012	2013	2014	2015	2016
Village	27,500	27,600	27,300	27,600	27,500
Town	396,600	397,100	393,500	398,900	398,500
County	693,600	695,100	689,300	699,600	699,000
State	9,612,200	9,623,100	9,570,700	9,591,200	9,584,500

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

Yearly Average Unemployment Rates

Year	Village	Town	County	State
2012	9.1%	7.4%	7.0%	8.5%
2013	7.7	6.2	5.9	7.7
2014	6.4	5.0	4.8	6.3
2015	5.6	4.4	4.2	5.3
2016	5.2	4.1	3.9	4.8

Source: New York State Department of Labor, Bureau of Labor Statistic. Information not seasonally adjusted

Monthly Unemployment Rates

Month	Village	Town	County	State
June 2016	4.9%	4.0%	3.8%	4.7%
July	5.2	4.3	4.1	5.0
August	5.1	4.2	4.0	4.9
September	4.9	4.3	4.1	4.9
October	4.8	4.1	3.9	4.8
November	4.4	3.9	3.7	4.5
December	4.7	3.8	3.6	4.5
January 2017	6.4	4.2	4.1	4.9
February	6.4	4.5	4.3	5.0
March	5.9	3.9	3.7	4.4
April	4.7	3.9	3.7	4.2
May	4.6	3.9	3.8	4.3

Source: New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.

End of Appendix A

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

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INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Adopted Budgets - General Fund
Fiscal Year ending May 31:

	2017	2018
Revenues:		
Real Property Tax	$62,710,071	$62,710,071
Other Property Tax Items	2,894,775	3,114,443
Non-Property Taxes	1,465,000	1,465,000
Departmental Income	5,615,039	5,695,998
Use of Money and Property	408,661	424,237
Licenses and Permits	679,600	625,100
Fines and Forfeitures	1,900,000	2,100,000
Sale of Property and Comp. for Loss	272,500	222,750
Miscellaneous	600	500,600
State and Local Aid	1,125,042	1,125,042
Use of Fund Equity	1,037,818	3,150,721
Total Revenues	$78,109,106	$81,133,962
Expenditures:		
General Government Support	$10,440,260	$10,457,480
Public Safety	28,069,707	28,592,007
Transportation	1,862,938	2,001,614
Culture and Recreation	2,955,603	3,148,544
Home & Community Services	3,774,201	4,070,284
Employee Benefits	19,400,438	20,627,023
Interfund Transfers (1)	11,605,959	12,237,010
Total Expenditures	$78,109,106	$81,133,962

(1) Interfund transfers included transfers made to the Debt Service Fund for payment of principal and interest on the Village's debt obligations.

Source: Adopted Budgets of the Village.

INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Balance Sheet
General Fund
Fiscal Year Ended May 31:

Assets and Other Debits	2015	2016
Assets:		
Unrestricted Cash	$13,751,107	$17,616,864
Restricted Cash	3,224,131	3,337,521
Taxes Receivable	8,836,621	7,389,758
Accounts Receivable	816,782	1,118,537
State and Federal Aid Receivable	105,820	908
Other Receivables	82,560	79,035
Due From Other Funds	1,539,467	46,191
Due From Fiduciary Funds	249	713,225
Due From Component Units	1,357,570	1,447,930
Prepaid Expenses	0	759,775
Inventory	87,858	89,055
Total Assets	$29,802,165	$32,598,799
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Accrued Expenses	$2,079,867	$2,776,647
Other Accrued Liabilities	1,215,392	1,362,043
Due To Other Funds	1,681,052	0
Due To Proprietary Funds	0	192,717
Due To Fiduciary Funds	0	0
Due To Component Unit	23,765	0
Deferred Revenues	0	0
Total Liabilites	$5,000,076	$4,331,407
Deferred Inflows of Resources:		
Miscellaneous Revenue Received in Advance	$48,995	$474,430
Property Tax Liens	8,835,346	7,388,483
Total Deferred Inflows of Resources:	8,884,341	7,862,913
Total Liabilities and Deferred Inflows of Resources:	13,884,417	12,194,320
Fund Equity and Other Credits:		
Nonspendable	$87,858	$848,830
Restricted	3,224,131	3,337,521
Assigned	3,168,964	1,885,273
Unassigned	9,436,795	14,332,855
Total Fund Balance	15,917,748	20,404,479
Total Liabilities, Deferred Inflows and Fund Balance:	$29,802,165	$32,598,799

Source: Audited Financial Statements of the Village.

INCORPORATED VILLAGE OF HEMPSTEAD
NASSAU COUNTY, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended May 31:

REVENUES	2012	2013	2014	2015	2016
Taxes	$56,006,966	$57,970,220	$59,930,242	$62,578,328	$66,709,609
Licenses and Permits	552,188	548,736	527,882	930,234	767,127
Intergovernmental Charges	6,218	11,000	5,550	5,000	0
Departmental Income	6,204,859	6,076,668	5,302,279	5,718,971	5,737,496
Fines and Forfeitures	2,240,792	1,968,505	1,794,715	1,898,808	2,368,523
Use of Money and Property	575,873	555,292	526,383	496,721	458,765
Sale of Property and Compensation for loss	545,100	372,815	402,883	396,332	177,043
Miscellaneous Revenues	5,927	550	9,309	39,095	1,000,970
State and Local Aid	1,491,742	1,416,299	1,495,915	1,958,186	1,552,960
Federal Aid	309,480	316,011	1,732,965	59,188	240,599
Total Revenues	$67,939,145	$69,236,096	$71,728,123	$74,080,863	$79,013,092
EXPENDITURES					
General Government Support	$7,994,713	$8,532,555	$8,235,491	$6,850,313	$8,007,765
Public Safety	23,861,053	24,152,547	25,847,445	25,639,868	27,616,333
Transportation	1,454,803	1,733,775	1,975,519	1,879,119	1,576,072
Culture and Recreation	2,543,360	2,667,488	2,912,502	2,607,443	2,825,754
Home and Community Services	3,685,332	3,814,778	3,780,875	3,470,867	3,494,397
Employee Benefits	15,300,745	15,919,373	18,957,480	19,713,502	18,640,816
Total Expenditures	$54,840,006	$56,820,516	$61,709,312	$60,161,112	$62,161,137
Excess of Revenues over (under) Expenditures	$13,099,139	$12,415,580	$10,018,811	$13,919,751	$16,851,955
Other Financing Sources (Uses):					
Proceeds of Obligations	$0	$6,647,988	$0	$5,990,000	$0
Payment to Bond Refunding Escrow Agent	0	0	0	0	0
Premium on Serial Bond				18,643	0
Issuance Cost for Refunding Bonds	0	0	0	0	0
Operating Transfers In (Out)	(4,777,136)	(4,853,679)	(5,900,814)	(12,018,062)	(5,965,650)
Transfers to Proprietary Fund	(3,442,138)	(10,158,238)	(2,511,369)	(3,245,391)	(4,411,691)
Transfers to/from Component Unit	(2,609,977)	(2,617,874)	(2,836,989)	(2,786,304)	(2,700,991)
Total Other Financing Sources (Uses)	($10,829,251)	($10,981,803)	($11,249,172)	($12,041,114)	($13,078,332)
Excess (Def) of Revenues and Other Sources Over Expenditures and Other Uses	2,269,888	1,433,777	(1,230,361)	1,878,637	3,773,623
Fund Balance Beginning of Year	$11,565,807	$13,835,695	$15,269,472	$14,039,111	$15,917,748
Prior Period Adjustment	0	0	0	0	713,108
Fund Balance End of Year	$13,835,695	$15,269,472	$14,039,111	$15,917,748	$20,404,479

Source: Audited Financial Statements of the Village.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
MAY 31, 2016

CAN BE ACCESSED ON THE ELECTRONIC MUNICIPAL MARKET ACCESS
(“EMMA”) WEBSITE
OF THE MUNICIPAL SECURITIES RULEMAKING BOARD (“MSRB”)
AT THE FOLLOWING LINK:

https://emma.msrb.org/ES1006583-ES788553-ES1189830.pdf

The audited financial statements referenced above are hereby incorporated into this Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Nawrocki Smith LLP has not been requested by the Village to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich St.
New York, New York 10007

August 30, 2017

The Board of Trustees of the
Village of Hempstead,
in the County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Hempstead (the "Village"), in the County of Nassau, New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $8,740,000* Refunding Serial Bonds-2017 (the "Bonds"), dated and delivered the date hereof.

We have examined a record of proceedings relating to the Bonds for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Village for which the Village has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Village is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest is not included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Village will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Village's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Village with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Except as stated in paragraphs 2 and 3 above, we express no opinion as to any other federal, state or local tax consequences with respect to the Bonds or the ownership or disposition thereof. Further, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of the interest on the Bonds, or under state and local tax law.

We render our opinion under existing statutes and court decisions as of the date of issuance of the Bonds, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement or Official Statement or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Village, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the Village of Hempstead, in the County of Nassau, a municipality of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Purchaser" shall mean the financial institution referred to in the Certificate of Award, executed by the Village Treasurer as of August 9, 2017.

"Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's **$8,740,000* Refunding Serial Bonds-2017**, dated August 30, 2017, maturing in various principal amounts on January 15, 2018 and July 15 in each of the years 2018 to 2030, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly to the EMMA System:

(i) no later than the last day of the sixth month after the end of each fiscal year, commencing with the fiscal year ending May 31, 2017, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within thirty (30) days after they become available and in no event later than 360 days after the end of each fiscal year; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(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 of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event 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 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government 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;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into 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.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading: "Litigation" and in Appendix A under the headings: "The Village," "Financial Factors," "Real Property Taxes," "Village Indebtedness" and "Economic and Demographic Data" and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

Section 11. No Previous Non-Compliance. Other than as may be set forth in the Official Statement prepared in connection with the sale of the Securities, the Issuer represents that in the previous five years it has not failed to comply in all material respects with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **August 30, 2017**.

VILLAGE OF HEMPSTEAD

By____

Supervisor and Chief Fiscal Officer