

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2018

**NEW ISSUE
BOOK-ENTRY-ONLY BONDS**

**Rating: See “Rating” herein
SERIAL BONDS**

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 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 for taxable years beginning prior to January 1, 2018. 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. See “Tax Matters” herein.

The Village will NOT designate the Bonds as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

**VILLAGE OF OLD WESTBURY
NASSAU COUNTY, NEW YORK**

**\$10,000,000*
PUBLIC IMPROVEMENT SERIAL BONDS – 2018
(the “Bonds”)**

Dated: Date of Delivery

Due: June 15, 2019 - 2043

The Bonds are general obligations of the Village of Old Westbury, Nassau County, New York (the “Village”), and all of the taxable real property within the Village is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, 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 will be dated the date of delivery, will bear interest from such date payable semiannually on June 15, 2019, December 15, 2019 and semiannually on June 15 and December 15 in each year until maturity. The Bonds will mature on June 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds maturing on or after June 15, 2027 will be subject to redemption prior to maturity. (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 the securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in 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.)

Capital Markets Advisors, LLC has served as Municipal Advisor to the Village in connection with the issuance of the Bonds.

The Bonds are offered when, as, and if issued by the Village and accepted by the purchaser, subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery through the offices of DTC in Jersey City, New Jersey or as otherwise agreed upon, on or about June 19, 2018.

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: May __, 2018

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

The Bonds mature on June 15 in each of the years, subject to prior redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2019	\$135,000	%	%	2032**	\$400,000	%	%
2020	290,000			2033**	415,000		
2021	300,000			2034**	430,000		
2022	305,000			2035**	445,000		
2023	310,000			2036**	460,000		
2024	320,000			2037**	475,000		
2025	330,000			2038**	490,000		
2026	335,000			2039**	505,000		
2027**	345,000			2040**	525,000		
2028**	355,000			2041**	545,000		
2029**	365,000			2042**	565,000		
2030**	380,000			2043**	585,000		
2031**	390,000						

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

** Subject to optional redemption prior to maturity as described herein.

**VILLAGE OF OLD WESTBURY
NASSAU COUNTY, NEW YORK**

**MAYOR
Fred J. Carillo**

BOARD OF TRUSTEES

Cory Baker Trustee
Marina Chimerine Trustee
Leslie Fastenberg..... Trustee
Edward Novick Trustee

Brian S. Ridgway Village Administrator/Clerk-Treasurer
Kathleen Sullivan Deputy Village Clerk-Treasurer
Michael Sahn..... Village Attorney

BOND COUNSEL

**Hawkins Delafield & Wood LLP
New York, New York**

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
*Long Island * Hudson Valley * Southern Tier * Western New York*
(516) 487-9818

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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OFFICIAL STATEMENT

VILLAGE OF OLD WESTBURY NASSAU COUNTY, NEW YORK

Relating To

\$10,000,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2018

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Village of Old Westbury, in the County of Nassau, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of \$10,000,000* Public Improvement Serial Bonds – 2018 (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

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on June 15, 2019 and semiannually thereafter on June 15 and December 15 in each year until maturity. The Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in the years 2019 to 2026, inclusive, will not be subject to redemption prior to maturity. The Bonds maturing in the years 2027 and thereafter will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in 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 (defined herein) for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal 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 (defined herein), 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 payment date for the payment of principal and interest on the Bonds is the last business day of the calendar month preceding each interest payment date.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Village Law, the Local Finance Law, and the bond resolution duly adopted by the Village on December 19, 2016 and amended March 5, 2018, authorizing the construction of various improvements to the Village water system. Proceeds from the sale of the Bonds will be used to provide original financing for such improvements.

* Preliminary, subject to change.

Optional Redemption

The Bonds maturing on or before June 15, 2026 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after June 15, 2027 will be subject to redemption prior to maturity, at the option of the Village, on any date on or after June 15, 2026, 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 equal to the principal amount of the Bonds to be redeemed, 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 not less than thirty (30) days nor more than sixty (60) days prior to the date set for such redemption. 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 are 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 and interest 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.)

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for those 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 Bond of a series 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 note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds 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 securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend 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 issuer, on the 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 will 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.

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

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 Bondholders, 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*, 40 N.Y.2d 1088 (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, town 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, including the Bonds.

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 enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness for the cities of Yonkers, Troy and Buffalo and for the counties of Nassau and Erie.

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.

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

The financial condition of the Village as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Village’s control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality 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. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions, thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Village to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Village is dependent in part on financial assistance from the State. In certain years, the Village’s receipt of State aid has been delayed (See “State Aid,” herein). If the State should experience difficulty in borrowing funds in anticipation of the receipt of the 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 until sufficient State taxes have been received by the State to make State aid payments to the Village. Budgetary constraints and State fiscal stress can also impact payment of State aid.

Should the Village fail to receive monies expected from the State in the amounts and at the times expected, the Village is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid, however the Village may not borrow as a result of a mid-year reduction in State aid.

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, including the Village, may affect the market price and/or marketability for the Bonds. (See “*Tax Levy Limit Law*” under “*PROPERTY TAXES*” in Appendix A attached hereto.)

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 the Bonds.

LITIGATION

In common with other Villages, the Village from time to time receives notices of claim and is party to litigation. In the opinion of the Village Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the Village, would have an adverse material 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 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 for taxable years beginning prior to January 1, 2018. 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 and others in connection with the Bonds, and Bond Counsel has assumed compliance by the Village with certain ongoing 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 a 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 (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of the 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 Bond having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond 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 a Bond 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 Bonds 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, could 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) or 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 will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, which will be available at the time of delivery of the Bonds, substantially in the form as set forth in Appendix D hereto.

DISCLOSURE UNDERTAKING

In order to assist the purchaser(s) 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") with respect to the Bonds, the Village will execute a Continuing Disclosure Undertaking for the Bonds, substantially in the form attached hereto as Appendix E.

RATING

The Village has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Such application is pending at this time.

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

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Village. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

ADDITIONAL INFORMATION

Additional information regarding the Village may be obtained from Mr. Brian Ridgeway, Village Administrator/Clerk-Treasurer, (516) 626-0800, bridgway@villageofoldwestbury.org, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, (516) 487-9818. The Village will act as Fiscal Agent with respect to the Bonds. The Village Clerk noted above is the Fiscal 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 orally 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 OLD WESTBURY
NASSAU COUNTY, NEW YORK

By: _____
Brian Ridgway
Treasurer

DATED: May __, 2018

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village encompasses 8.5 square miles on the north shore of Long Island within the Towns of North Hempstead and Oyster Bay (together, the “Towns”), approximately 15 miles east of New York City. The population of the Village is 4,582 according to the 2016 U.S. Census 2012-2016 American Community Survey 5-Year Estimates. The character of the Village has been and remains largely suburban residential. The majority of houses within the Village are single-family residences; however, there are several cooperative and condominium developments. Commercial activity is centered on Old Northern Boulevard.

Form of Government

The Village was incorporated in 1924 as a municipal corporation by the State pursuant to the Village Law and 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. There are four independent school districts operating in the Village that possess the same powers with respect to taxation and debt issuance. Village residents also pay real property taxes to the Towns and the County to support programs conducted by these three 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

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

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

The Village Administrator-Clerk/Treasurer is appointed by the Mayor, subject to the approval of the Board, to a four-year term and is the chief fiscal officer of the Village. Treasury duties and responsibilities of the position include: collection of taxes, maintenance of the Village’s accounting systems and records, which includes the responsibility to prepare and file an annual report with the State Comptroller, custody and investment of Village funds, and debt management. In his clerk role, he has custody of the corporate seal, books, records, and papers of the Village, and all the official reports and communications of the Board and keeps the records of their proceedings. The Clerk is responsible for maintaining the Village code of laws and ordinances as it relates to the codes for building, plumbing, electric, zoning, vehicle and traffic regulations, and general ordinances. In addition, the Village Clerk issues various licenses and permits.

Village Services

The Village provides its residents with many of the services traditionally provided by municipal governments. In addition, the Towns and the County furnish certain other services. A list of the services provided by the Village are as follows: water, sewer, refuse collection; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State’s Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities including building code

enforcement and planning and zoning administration. Fire protection and ambulance service are furnished by a volunteer fire department.

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

Employees

The Village employs 51 full-time and 1 part-time persons, 25 of whom are members of the Village's police department. These 25 members are represented by the Old Westbury Police Benevolent Association whose contract expires May 31, 2020.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Employees' 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 System 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 "Tier 6" employees, as discussed below, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 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 final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

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

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 ("Chapter 260"). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

As part of the 2013-14 State budget a pension smoothing option was introduced that would let municipalities amortize over seven years some of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for state employees across the state. The plan, which was approved in Gov. Andrew Cuomo's 2013-14 budget would let municipalities next year contribute 14 percent of employee costs toward pensions rather than the 16.25 percent currently required, which is up from the current 11.8 percent rate.

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, known as "other post-employment 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") is 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. Actuarial valuation will be required every 2 years for the Village.

The Village is in compliance with the requirements of GASB 45. The Village has determined that its actuarial accrued liability ("AAL") for OPEB as of May 31, 2017 was approximately \$27,047,581. For financial reporting purposes, the Village has elected to amortize the AAL over 30 years. For the year ended May 31, 2017, the Village's ARC was \$2,335,734. 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 Albrecht, Viggiano, Zureck & Company, P.C., 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.

Appendix C contains a link the Village's Audited Financial Statements for the fiscal year ended May 31, 2017.

Basis of Accounting

The Village maintains its records and reports on the modified accrual basis of accounting for recording transactions in all governmental 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.

Budgetary Procedure

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions provided for in the law. All budgets of the Village adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

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

Recent Financial Operations

2013 Audited Results. For the fiscal year ended May 31, 2013, based on audited results, General Fund revenues and other sources were approximately \$15.1 million and General Fund Expenditures and other uses were approximately \$15.4 million, which resulted in an operating deficit of \$292,256 and a cumulative General Fund balance of \$8,315,064.

2014 Audited Results. For the fiscal year ended May 31, 2014, based on audited results, General Fund revenues and other sources were approximately \$14.1 million and General Fund Expenditures and other uses were approximately \$14.9 million, which resulted in an operating deficit of \$789,279 and a cumulative General Fund balance of \$7,525,785.

2015 Audited Results. For the fiscal year ended May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$14.0 million and General Fund Expenditures and other uses were approximately \$15.0 million, which resulted in an operating deficit of \$903,626 and a cumulative General Fund balance of \$6,622,159.

2016 Audited Results. For the fiscal year ended May 31, 2016, based on audited results, General Fund revenues and other sources were approximately \$15.4 million and General Fund Expenditures and other uses were approximately \$14.1 million, which resulted in an operating surplus of \$1,306,102 and a cumulative General Fund balance of \$7,928,261.

2017 Audited Results. For the fiscal year ended May 31, 2017, based on audited results, General Fund revenues and other sources were approximately \$14.8 million and General Fund Expenditures and other uses were approximately \$14.9 million, which resulted in an operating deficit of \$122,303 and a cumulative General Fund balance of \$7,805,958.

2018 Adopted Budget. For the fiscal year ending May 31, 2018, General Fund revenues are budgeted to be approximately \$14.6 million and General Fund Expenditures and other uses are approximately \$14.6 million. (See “Appendix B” herein.)

2019 Adopted Budget. For the fiscal year ending May 31, 2019, General Fund revenues are budgeted to be approximately \$14.3 million and General Fund Expenditures and other uses are approximately \$15.2 million. (See “Appendix B” herein.)

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 74.15% of total General Fund revenues for the fiscal year ended May 31, 2017.

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

<u>Fiscal Year Ending May 31:</u>	<u>Property Taxes</u>		
	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2013	\$13,944,617	\$ 9,262,233	66.42%
2014	13,824,947	9,632,827	69.68
2015	13,491,630	10,182,041	75.47
2016	14,382,238	10,784,343	74.98
2017	14,379,216	10,661,694	74.15
2018 (Adopted Budget)	14,609,752	10,578,866	72.41
2019 (Adopted Budget)	14,286,715	10,131,219	70.91

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

State Aid. The Village receives financial assistance from the State. Based on audited results, State aid accounted for approximately 4.53% of the total general fund revenues of the Village in the 2017 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.)

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

<u>Fiscal Year Ending May 31:</u>	<u>State Aid</u>		
	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2013	\$13,944,617	\$320,109	2.30%
2014	13,824,947	487,631	3.53
2015	13,491,630	311,158	2.31
2016	14,382,238	771,459	5.36
2017	14,379,216	651,972	4.53
2018 (Adopted Budget)	14,609,752	599,188	4.10
2019 (Adopted Budget)	14,286,715	599,188	4.19

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.

TAX INFORMATION

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.

	<u>Tax Rates, Levies and Assessments</u>				
	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Assessed Valuation	\$5,182,105	\$5,067,929	\$4,857,870	\$4,733,845	\$4,572,360
Equalization Rates	0.24%	0.22%	0.20%	0.19%	0.19%
Full Valuation	2,159,210,417	2,303,604,091	2,428,935,000	2,491,497,368	2,406,505,263
Village Tax Levy	9,722,666	10,134,338	10,600,844	10,596,239	10,234,770
Tax Rates per \$1,000 A.V.	1,876.20	1,999.70	2,182.20	2,238.40	2,238.40

Source: New York State Office of Real Property Services.

Real Estate Tax Levying Limitation

The Village is responsible for levying taxes for Village purposes. The Village's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to two percent of the five-year average full valuation of taxable real property of the Village. (See also "*Tax Levy Limit Law*" herein).

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 last five fiscal years.

<u>Real Property Tax Assessment and Rates</u>			
Fiscal Year Ending <u>May 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Ratio</u>	<u>Full Valuation</u>
2014	\$5,182,105	0.0024	\$2,159,210,417
2015	5,067,929	0.0022	2,303,604,091
2016	4,857,870	0.0020	2,428,935,000
2017	4,733,845	0.0019	2,491,497,368
2018	4,572,360	0.0019	<u>2,406,505,263</u>
		TOTAL	<u>\$11,789,752,139</u>
Five-Year Average Valuation			\$ 2,357,950,428
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:			\$ 47,159,009
Exclusions Added Thereto:			0
Maximum Taxing Power			47,159,009
Real Estate Tax Levy for 2018			10,234,770
Constitutional Net Tax Margin			<u>\$ 36,924,239</u>
Percent of Tax Limitation Exhausted			<u>21.70%</u>

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

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law”) was enacted. The Tax Levy Limit Law imposes a tax levy limitation of the Village for any fiscal each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the Village under the Local Finance Law. Accordingly, the power of the Village to levy real property taxes on all taxable real property within the Village without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

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-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 may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Village Board 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.

Real Property Tax Collection Procedures

Property taxes are levied annually no later than June 1 and become a lien on the first day of the levy year. Taxes may be paid in one installment on June 1, and become delinquent after June 30. Thereafter penalties and interest are imposed pursuant to the Real Property Tax Law.

After the certification and return of the tax warrant to the Board of Trustees of the uncollected tax items an annual sale of the tax liens is held pursuant to the provisions of the Real Property Tax Law. Tax Sale Certificates are issued for all uncollected property taxes, in anticipation of the sale of properties in satisfaction of the property tax liens. Unsold tax liens covered by Tax Sale Certificates are fully reserved.

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

<u>Fiscal Year</u> <u>Ending May 31:</u>	<u>Gross</u> <u>Tax Levy</u>	<u>Taxes Collected</u> <u>End of Year</u>	<u>Percentage Taxes</u> <u>Collected End of Year</u>
2013	\$ 9,309,383	\$ 9,197,892	98.80%
2014	10,134,338	10,191,256	100.56
2015	10,600,844	10,219,471	96.40
2016	10,700,707	10,714,232	100.13
2017	10,234,771	10,707,409	104.62

Source: Village Officials.

Ten of the Largest Taxpayers

The following table presents the total assessed valuations of the Village’s largest property owners for the 2017-18 fiscal year.

Assessed Valuations

<u>Property Owner</u>	<u>Nature of</u> <u>Business</u>	<u>Assessed</u> <u>Valuation</u>	<u>Percentage of Total</u> <u>Assessed Valuation⁽¹⁾</u>
East Williston UFSD #2	Education	\$131,748	2.88%
East Williston UFSD #1	Education	105,228	2.30
Bethel United Pentecostal	Religion	37,979	0.83
Sisters of the Holy Child Jesus	Religion	37,345	0.82
Seventh Day Adventist Church	Religion	34,100	0.75
Erchless LLC	Commercial	33,324	0.73
Old Westbury Hebrew Congregation	Religion	31,321	0.69
Korean Joong Bu Presbyterian Church	Religion	24,124	0.53
Ban Suk United Methodist Church	Religion	<u>22,336</u>	<u>0.49</u>
Total:		<u>\$457,505</u>	<u>10.02%</u>

(1) The total assessed valuation of the Village used for the 2017-18 year is \$4,572,360.

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 and the Bonds.

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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is contracted, 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 each 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. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limit Law" herein.

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. The Village has complied with such procedure with respect to the Bonds.

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, including the Bonds, 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 aggregate outstanding principal amount thereof shall not exceed seven per 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. However, the Tax Levy Limit Law imposes a statutory limitation on the Village's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limit Law" herein.

Constitutional Debt Limit

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

<u>Constitutional Debt Limit</u>				
<u>Assessment Roll</u>	<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
2013	2014	\$5,182,105	0.24%	\$2,159,210,417
2014	2015	5,067,929	0.22	2,303,604,091
2015	2016	4,857,870	0.20	2,428,935,000
2016	2017	4,733,845	0.19	2,491,497,368
2017	2018	4,572,360	0.19	<u>2,406,505,263</u>
Total Five-Year Full Valuations				<u>\$11,789,752,139</u>
Average Full Valuation				<u>\$ 2,357,950,428</u>
Debt Limit – Seven (7) per centum of Average Full Valuation				<u>\$ 165,056,530</u>

Source: Office of the State Comptroller, Real Property Services

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Statement of Debt Contracting Power

Statement of Debt-Contracting Power
(as of May 21, 2018)

Debt-Contracting Limitation:	\$165,056,530
Gross Direct Indebtedness:	
Bonds:	
Serial Bonds	\$455,000
Bond Anticipation Notes	0
Total Gross Direct Indebtedness	<u>455,000</u>
Less Exclusions and Deductions:	
Appropriations	
During Current Fiscal Year	0
Total Exclusions	<u>0</u>
Total Net Direct Indebtedness	<u>\$ 455,000</u>
Debt-Contracting Margin	<u>\$165,056,530</u>
Percentage of Debt-Contracting Power Exhausted	<u>0.28%</u>
Source: Village officials.	

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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

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Village Share</u>	<u>Amount Applicable To Village</u>
Nassau County	\$3,531,503,000	10/31/17	2.41%	\$ 85,109,222
North Hempstead Town	274,109,189	03/13/18	2.78	7,620,235
Oyster Bay Town	646,690,369	03/14/18	6.63	42,875,571
East Williston UFSD	5,310,690	08/28/17	25.00 ⁽¹⁾	1,327,673
Jericho UFSD	2,140,000	09/12/17	20.00 ⁽¹⁾	428,000
Roslyn UFSD	36,370,000	03/17/17	2.00 ⁽¹⁾	727,400
Westbury UFSD	9,375,000	06/30/17	10.00 ⁽¹⁾	<u>937,500</u>
Total Net Overlapping Debt				\$139,025,061
Total Net Direct Debt				<u>455,000</u>
Total Net Direct and Overlapping Debt				<u>\$139,480,601</u>

(1) Estimated.

Debt Ratios

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

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Full Value ⁽²⁾</u>
Net Direct Debt	\$ 455,000	\$ 99.30	0.02%
Net Direct and Overlapping Debt	139,480,601	30,441.00	5.80

(1) The population of the Village is 4,582 according to the 2016 U.S. Census estimate.

(2) The Village's full value of taxable real property used to levy taxes in 2017-2018 is \$2,406,505,263.

Bond Anticipation Notes

The Village currently has no bond anticipation notes outstanding.

Tax and Revenue Anticipation Notes

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bonds:	\$ 0	\$500,000	\$500,000	\$475,000	\$445,000
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total:	<u>\$ 0</u>	<u>\$500,000</u>	<u>\$500,000</u>	<u>\$475,000</u>	<u>\$445,000</u>

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 for the fiscal years ending as follows, exclusive of the Bonds and exclusive of economically defeased obligations.

Bond Principal and Interest Maturity

Fiscal Year <u>Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Debt Service</u>
2018 ⁽¹⁾	\$ 30,000	\$ 13,631	\$ 43,631
2019	30,000	12,731	42,731
2020	30,000	11,831	41,831
2021	30,000	10,932	40,932
2022	30,000	10,031	40,031
2023	35,000	9,056	44,056
2024	35,000	8,006	43,006
2025	35,000	6,957	41,957
2026	35,000	5,884	40,884
2027	35,000	4,769	39,769
2028	40,000	3,525	43,525
2029	40,000	2,150	42,150
	<u>40,000</u>	<u>725</u>	<u>40,725</u>
Total:	<u>\$445,000</u>	<u>\$100,228</u>	<u>\$545,228</u>

(1) For the entire fiscal year.

Source: Village Officials.

Prospective Capital Financing

Following the issuance of the Bonds, the Village will have \$3,250,000 in authorized but unissued debt for construction of various improvements to the Village water system.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following represents the population trends for the Village, County and State, based on recent census data.

	<u>Population Trend</u>		<u>Percentage Change</u>
	<u>2000</u>	<u>2010</u>	<u>2000/2010</u>
Village	4,145	4,671	12.7%
County	1,334,544	1,339,532	0.4
State	18,976,457	19,378,102	2.1

Source: 2000 and 2010 U.S. Census.

Income

The following table presents median family income for the Village, County and State.

	<u>Median Household Income</u>	
	<u>2000</u>	<u>2010</u>
Village	155,749	203,125
County	72,030	93,613
State	43,393	55,603

Source: 2000 and 2010 U.S. Census.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the Village, Towns, County and State. Data provided for the Towns, County and State are not necessarily representative of the Village.

Major Employers in the Village

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Village of Old Westbury	Government	51
Old Westbury Diner	Dinner	25
Mobil Gas Station	Gas Station	7
Long Island University/CW Post	Education	N/A
New York Institute of Technology	Education	N/A
SUNY Old Westbury	Education	N/A

Source: Village Officials and the Metro New York Directory of Manufacturers.

Civilian Labor Force

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town of North Hempstead	111,800	110,600	113,000	113,800	114,300
Town of Oyster Bay	153,200	151,700	154,800	155,600	156,300
County	697,100	688,800	701,600	704,600	708,000
State	9,659,200	9,591,300	9,644,600	9,668,700	9,704,700

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

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town of North Hempstead</u>	<u>Town of Oyster Bay</u>	<u>County</u>	<u>State</u>
2013	5.4%	5.5%	5.9%	7.7%
2014	4.4	4.4	4.8	6.3
2015	3.9	3.9	4.2	5.3
2016	3.6	3.7	3.9	4.8
2017	3.8	3.9	4.1	4.7

Monthly Unemployment Rates

<u>Month</u>	<u>Town of North Hempstead</u>	<u>Town of Oyster Bay</u>	<u>County</u>	<u>State</u>
April 2017	3.4%	3.5%	3.8%	4.4%
May	3.6	3.8	3.9	4.4
June	3.9	4.0	4.2	4.6
July	4.0	4.1	4.4	4.9
August	4.0	4.2	4.4	4.9
September	4.0	4.1	4.2	4.6
October	3.7	3.9	4.1	4.4
November	3.8	3.9	4.1	4.4
December	3.6	3.8	4.0	4.4
January 2018	4.2	4.1	4.5	5.1
February	4.5	4.4	4.7	5.1
March	4.0	3.8	4.2	4.8

Financial Institutions

Numerous banking facilities are available in and around the Village. Commercial banks located within the Village include branch offices of Citibank, N.A., Bank of America, JPMorgan Chase and Capital One and the only savings bank located within the Village is Astoria Savings.

Utilities

The residents of the Village receive electricity and natural gas services from PSE&G and National Grid. Water services from the Roslyn Water District.

The Village owns and operates its own sewer collection system, but relies on the County (Sewer Disposal District No. 3) for transfer and treatment of such effluent.

Transportation

The Village is served by a network consisting of all major forms of transportation. Several primary State and U.S. Highways including the Long Island Expressway, Northern State Parkway and Northern Boulevard, run through the Village. The Metropolitan Transit Authority operates the Long Island Railroad, which provides service on three separate lines to and from New York City on trains making express stops throughout the Towns. Additionally, the Metropolitan Transportation Authority operates Long Island Bus, which provides connections between the Long Island Railroad and numerous destinations throughout Nassau County. Nassau Inter County Express (NICE) buses run along Glen Cove Road and Jericho Turnpike bordering the Village. Air transportation is provided by the three New York Metropolitan airports (Kennedy, LaGuardia and Newark) as well as the two Long Island Airports, MacArthur and Republic.

Education and Cultural Institutions

Colleges and universities in the area include Adelphi University, Hofstra University, Long Island University (C.W. Post campus), SUNY Old Westbury, Molloy College, New York Institute of Technology, Nassau Community College and New York College of Health.

Primary education is provided by the East Williston UFSD, Jericho UFSD, Roslyn UFSD and Westbury UFSD. A public library, which is located in the Village, sponsors various programs of general interest to adults and children throughout the year.

End of Appendix A

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

VILLAGE OF OLD WESTBURY
 Adopted Budgets - General Fund
 Fiscal Year Ended May 31:

	<u>2018</u>	<u>2019</u>
Revenues:		
Real Property Tax	\$10,578,866	\$10,131,219
Other Property Tax Items	175,398	182,208
Other Tax Items	155,000	155,000
Departmental Income	309,300	320,100
Use of Money and Property	972,000	979,000
Licenses and Permits	805,000	905,000
Fines and Forfeitures	300,000	300,000
State Aid	599,188	599,188
Miscellaneous	215,000	215,000
Interfund Transfers	500,000	500,000
	<hr/>	<hr/>
Total Revenues	<u>\$14,609,752</u>	<u>\$14,286,715</u>
Expenditures:		
General Government Support	\$1,598,450	\$1,641,760
Public Safety	7,177,750	7,768,600
Transportation	293,500	335,500
Cultural and Recreation	7,500	7,500
Home and Community Service	422,470	456,700
Benefits	4,151,284	4,212,710
Interfund Transfer	650,000	650,000
Debt Service	306,630	170,749
	<hr/>	<hr/>
Total Expenditures	<u>\$14,607,584</u>	<u>\$15,243,519</u>

Source: Village of Old Westbury Adopted Budgets.

VILLAGE OF OLD WESTBURY
Balance Sheet
General Fund
Fiscal Year Ended May 31:

	<u>2016</u>	<u>2017</u>
Assets:		
Cash and Cash Equivalents	\$ 7,506,500	\$ 7,440,912
Accounts Receivable	-	18,591
Property Taxes Receivable	96,863	107,756
Tax Sale Certificates	458,676	504,391
Due from Other Funds	852,186	847,981
Prepaid Items	-	225,295
	<u>\$ 8,914,225</u>	<u>\$ 9,144,926</u>
Total Assets		
Liabilities and Fund Balance:		
Accounts Payable and Accrued Liabilities	\$ 430,425	\$ 470,079
Due to Employees' Retirement System	-	248,320
Due to Other Funds	96,863	106,695
Unearned Revenue	-	7,483
Deferred Revenues	458,676	504,391
	<u>\$ 985,964</u>	<u>\$ 1,336,968</u>
Total Liabilities and Fund Balance		
Fund Balance:		
Nonspendable	-	225,295
Assigned	1,386,917	1,739,845
Unassigned	6,541,344	5,840,818
	<u>7,928,261</u>	<u>7,805,958</u>
Total Fund Equity		
Total Liabilities and Fund Equity		
	<u>\$ 8,914,225</u>	<u>\$ 9,142,926</u>

Source: Audited Financial Statements of the Village.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$ 9,262,233	\$ 9,632,827	\$ 10,182,041	\$ 10,784,343	\$ 10,661,694
Other Tax Items	203,257	203,615	259,333	357,535	277,345
Non-Property Tax Items	239,045	227,665	229,883	232,864	257,563
Departmental Income	147,283	151,527	188,549	143,491	121,666
Use of Money & Property	62,147	57,824	47,951	46,418	62,675
Licenses and Permits	1,667,005	1,610,456	1,781,868	1,693,527	1,668,736
Fines and Forfeitures	229,412	230,279	331,045	226,951	303,026
Sale of Property/Compensation for Loss	126,600	900,901	79,810	69,193	34,301
Miscellaneous Local Sources	27,263	55,531	50,417	54,886	338,745
State Aid	320,109	487,631	311,158	771,459	651,972
Federal Aid	1,660,263	266,691	29,575	1,571	1,493
Total Revenue	<u>\$ 13,944,617</u>	<u>\$ 13,824,947</u>	<u>\$ 13,491,630</u>	<u>\$ 14,382,238</u>	<u>\$ 14,379,216</u>
Expenditures:					
General Government Support	\$ 1,916,947	\$ 1,977,444	\$ 1,824,302	\$ 1,920,343	\$ 1,994,857
Public Safety	6,653,081	7,179,564	8,662,065	7,132,934	6,767,647
Transportation	297,211	304,780	253,348	290,224	414,004
Culture and Recreation	-	7,500	7,500	7,500	7,500
Home and Community Service	2,302,656	431,002	354,426	480,198	442,156
Employee Benefits	3,267,588	3,432,553	3,527,702	3,059,620	4,102,868
Debt Service	-	-	24,138	175,566	172,487
Total Expenditures	<u>\$ 14,437,483</u>	<u>\$ 13,332,843</u>	<u>\$ 14,653,481</u>	<u>\$ 13,066,385</u>	<u>\$ 13,901,519</u>
Excess of Revenues over Expenditures	\$ (492,866)	\$ 492,104	\$ (1,161,851)	\$ 1,315,853	\$ 477,697
Other Financing Sources (Uses):					
Operating Transfers In	1,200,610	300,000	556,225	990,249	400,000
Operating Transfers Out	<u>(1,000,000)</u>	<u>(1,581,383)</u>	<u>(298,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total Other Sources (Uses)	\$ 200,610	\$ (1,281,383)	\$ 258,225	\$ (9,751)	\$ (600,000)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(292,256)</u>	<u>(789,279)</u>	<u>(903,626)</u>	<u>1,306,102</u>	<u>(122,303)</u>
Fund Balance - Beg. of Year	8,607,320	8,315,064	7,525,785	6,622,159	7,928,261
Prior Year Adjustment					
Residual Equity Transfer	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance - End of Year	<u>\$ 8,315,064</u>	<u>\$ 7,525,785</u>	<u>\$ 6,622,159</u>	<u>\$ 7,928,261</u>	<u>\$ 7,805,958</u>

Source: Audited Financial Statements of the Village

APPENDIX C

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDING MAY 31, 2017***

**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/ES1302195.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. Albrecht, Viggiano, Zureck & Company, P.C., Certified Public Accountants 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.**

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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

June 19, 2018

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Old Westbury (the “Village”), in the County of Nassau, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the Village’s \$10,000,000 Public Improvement Serial Bonds-2018 (the “Bonds”), dated and delivered on the date hereof.

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 on 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 New York 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 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 for taxable years beginning prior to January 1, 2018.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes 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 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, for any facts or circumstances that may hereafter come to our attention, for any changes in law or in interpretations thereof that may hereafter occur or for any other reason. We express no opinion as to the consequence of any change in law or interpretation thereof, or otherwise, that may hereafter be enacted, arise or occur, and we note that such changes may take place or be proposed from time to time. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel as to the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax laws.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds 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

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

“EMMA” shall mean the 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 Old Westbury, in the County of Nassau, a municipal corporation 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 May 31, 2018.

“Rule” shall mean 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 \$10,000,000 Public Improvement Serial Bonds-2018, dated June 19, 2018, maturing in various principal amounts on June 15 in each of the years 2019 through 2043, 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 or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending May 31, 2018, the Annual Information relating to such fiscal year, and (B) no later than six months (6) after the end of each fiscal year, commencing with the fiscal year ending May 31, 2018, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements

shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one year (1) after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; 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, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

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 paragraph (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 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.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 19, 2018**.

VILLAGE OF OLD WESTBURY

By _____
Village Treasurer and Chief Fiscal Officer