

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 21, 2017

**REFUNDING
NEW AND RENEWAL ISSUES**

Rating: See “Rating” herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Village, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. 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 SANDS POINT
NASSAU COUNTY, NEW YORK**

\$3,025,000*

**PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2017 SERIES A
(the “Series A Bonds”)**

Dated: Date of Delivery

Due: January 15, 2018 to 2031

\$6,700,000*

**PUBLIC IMPROVEMENT SERIAL BONDS – 2017 SERIES B
(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

Dated: Date of Delivery

Due: December 1, 2018 to 2040

The Bonds are general obligations of the Village of Sands Point, 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 Series A Bonds will be dated the date of delivery, will bear interest from such date payable semiannually on each January 15 and July 15 until maturity, commencing January 15, 2018 and will mature on the dates, in the years and amounts as set forth on the inside cover page hereof. The Series A Bonds maturing on or after January 15, 2026 will be subject to redemption prior to maturity. (See “Optional Redemption” herein).

The Series B Bonds will be dated the date of delivery, will bear interest from such date payable semiannually on each June 1 and December 1 until maturity, commencing December 1, 2018 and will mature on the dates, in the years and amounts as set forth on the inside cover page hereof. The Series B Bonds maturing on or after December 1, 2026 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 Series B Bonds will be available for delivery through the offices of DTC in Jersey City, New Jersey or as otherwise agreed upon, on or about December 14, 2017. It is anticipated that the Series A Bonds will be available for delivery through the offices of DTC in Jersey City, New Jersey or as otherwise agreed upon, on or about December 21, 2017.

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

Dated: November , 2017

* 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 Series A Bonds mature on January 15 in each of the years, subject to prior redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>
2018	\$ 35,000	%	%	2025	\$240,000	%	%
2019	30,000			2026**	245,000		
2020	220,000			2027**	255,000		
2021	220,000			2028**	260,000		
2022	225,000			2029**	265,000		
2023	230,000			2030**	280,000		
2024	235,000			2031**	285,000		

The Series B Bonds mature on December 1 in each of the years, subject to prior redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>
2018	\$ 235,000	%	%	2030**	\$ 290,000	%	%
2019	230,000			2031**	295,000		
2020	235,000			2032**	305,000		
2021	235,000			2033**	315,000		
2022	240,000			2034**	325,000		
2023	245,000			2035**	335,000		
2024	250,000			2036**	345,000		
2025	255,000			2037**	355,000		
2026**	260,000			2038**	365,000		
2027**	265,000			2039**	375,000		
2028**	275,000			2040**	390,000		
2029**	280,000						

* 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 SANDS POINT
NASSAU COUNTY, NEW YORK**

**MAYOR
EDWARD A.K. ADLER**

BOARD OF TRUSTEES

Marc Silbert.....Deputy Mayor
Katherine M. Ullman..... Trustee
Lynn R. Najman Trustee
Peter A. Forman..... Trustee

Elizabeth Gaynor..... Village Clerk
Kathleen Notaro Village Treasurer
Sahn, Ward, Coschignano, PLLC 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) 472-7049

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.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE BONDS.....	1	LITIGATION.....	9
Description.....	1	TAX MATTERS.....	10
Authorization and the Refunding Plan for the Series A Bonds.....	2	Opinion of Bond Counsel.....	10
Sources and Uses of the Proceeds of the Series A Bonds.....	3	Certain Ongoing Federal Tax Requirements and Certifications.....	10
Verification of Mathematical Computations.....	3	Certain Collateral Federal Tax Consequences.....	10
Authority for and Purpose of the Series B Bonds.....	4	Original Issue Discount.....	11
Authority for and Purpose of the Bonds.....	4	Bond Premium.....	11
Optional Redemption.....	4	Information Reporting and Backup Withholding.....	11
Nature of Obligation.....	4	Miscellaneous.....	12
Book-Entry-Only System.....	5	LEGAL MATTERS.....	12
REMEDIES UPON DEFAULT.....	6	DISCLOSURE UNDERTAKING.....	12
NO PAST DUE DEBT.....	8	Continuing Disclosure History.....	12
MUNICIPAL BANKRUPTCY.....	8	RATING.....	12
MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE.....	9	MUNICIPAL ADVISOR.....	13
		ADDITIONAL INFORMATION.....	13

APPENDIX A

THE VILLAGE.....	A-1	Real Estate Tax Levying Limitation.....	A-8
General Information.....	A-1	Real Property Tax Rates, Levies and Assessments.....	A-9
Transportation.....	A-1	Tax Levy Limit Law.....	A-9
Form of Government.....	A-2	Real Property Tax Rebate.....	A-10
Elected and Appointed Officials.....	A-2	Ten Largest Taxpayers.....	A-11
Village Services.....	A-2	VILLAGE INDEBTEDNESS.....	A-12
Employees.....	A-2	Constitutional Requirements.....	A-12
Employee Pension Benefits.....	A-2	Statutory Procedure.....	A-12
Other Post Employment Benefits.....	A-3	Constitutional Debt Limit.....	A-13
FINANCIAL FACTORS.....	A-4	Statement of Debt Contracting Power.....	A-14
Independent Audit.....	A-4	Remedies Upon Default.....	A-14
Fund Structure and Accounts.....	A-4	Direct and Overlapping Indebtedness.....	A-15
Basis of Accounting.....	A-5	Debt Ratios.....	A-15
Recent Financial Operations.....	A-5	Trend of Outstanding Indebtedness.....	A-16
Impact of Hurricane Sandy on the Village.....	A-5	Bond Anticipation Notes.....	A-16
The State Comptroller's Fiscal Stress Monitoring System.....	A-6	Tax and Revenue Anticipation Notes.....	A-16
Revenues.....	A-6	Debt Service Schedule.....	A-17
Investment Policy Permitted Investments.....	A-7	Authorized But Unissued Debt.....	A-17
REAL PROPERTY TAXES.....	A-8	ECONOMIC AND DEMOGRAPHIC DATA.....	A-17
Real Property Tax Collection Procedures.....	A-8	Population.....	A-17
		Income.....	A-17
		Employment and Unemployment.....	A-17

APPENDIX B – SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS

APPENDIX C – LINK TO AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MAY 31, 2016

APPENDIX D – FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE SERIES A BONDS

APPENDIX E – FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE SERIES B BONDS

APPENDIX F – FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE BONDS

OFFICIAL STATEMENT

VILLAGE OF SANDS POINT NASSAU COUNTY, NEW YORK

Relating To

\$3,025,000*

PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS – 2017 SERIES A

And

\$6,700,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2017 SERIES B

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Village of Sands Point, in the County of Nassau, in the State of New York (the “Village”, “County” and “State,” respectively) in connection with the sale of \$3,025,000 Public Improvement Refunding Serial Bonds – 2017 Series A (the “Series A Bonds”) and \$6,700,000 Public Improvement Serial Bonds – 2017 (the “Series B Bonds” and together with the Series A Bonds, 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 Series A Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on January 15, 2018 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Series A Bonds shall mature on January 15 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds maturing in the years 2018 to 2025, inclusive, will not be subject to redemption prior to maturity. The Series A Bonds maturing in the years 2026 and thereafter will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Series B Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on December 1, 2018 and semiannually thereafter on June 1 and December 1 in each year until maturity. The Series B Bonds shall mature on December 1 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds maturing in the years 2018 to 2025, inclusive, will not be subject to redemption prior to maturity. The Series B Bonds maturing in the years 2026 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.

* Preliminary, subject to change.

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

The record payment date for the payment of principal and interest on the Series B Bonds is the fifteenth day of the calendar month preceding each interest payment date.

Authorization and the Refunding Plan for the Series A Bonds

The Series A Bonds are issued pursuant to the Constitution, the statutes of the State, including, among others, the Local Finance Law. The Series A Bonds are being issued pursuant to a refunding bond resolution duly adopted by the Board of Trustees (the “Board”) on November 14, 2017.

The Series A Bonds are being issued to refund up to \$3,025,000 outstanding principal of the Village’s Public Improvement Serial Bonds – 2011 which mature in the years 2020 to 2031, inclusive (the “Refunded Bonds”). The Refunded Bonds were issued in the original principal amount of \$4,000,000. Under the Refunding Plan, the Refunded Bonds are to be called and redeemed on December 15, 2019. The net proceeds of the Series A Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series A Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Series A Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers and Traders Trust Company, (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Village and the Escrow Holder, dated as of the delivery date of the Series A Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium of the Refunded Bonds on the date of their redemption.

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

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

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

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Refunded Bonds:

<u>Maturity Date*</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price</u>	<u>CUSIP</u>
January 15, 2020	\$ 190,000	3.00%	December 15, 2019 @ 100%	800086EU0
January 15, 2021	195,000	3.25%	December 15, 2019 @ 100%	800086EV8
January 15, 2022	200,000	3.50%	December 15, 2019 @ 100%	800086EW6
January 15, 2023	210,000	3.50%	December 15, 2019 @ 100%	800086EX4
January 15, 2024	215,000	3.50%	December 15, 2019 @ 100%	800086EY2
January 15, 2025	225,000	3.75%	December 15, 2019 @ 100%	800086EZ9
January 15, 2026	235,000	3.75%	December 15, 2019 @ 100%	800086FA3
January 15, 2027	245,000	4.00%	December 15, 2019 @ 100%	800086FB1
January 15, 2028	255,000	4.00%	December 15, 2019 @ 100%	800086FC9
January 15, 2029	265,000	4.00%	December 15, 2019 @ 100%	800086FD7
January 15, 2030	280,000	4.25%	December 15, 2019 @ 100%	800086FE5
January 15, 2031	<u>290,000</u>	4.25%	December 15, 2019 @ 100%	800086FF2
Total:	<u>\$2,805,000</u>			

* Preliminary, subject to change.

Sources and Uses of Proceeds of the Series A Bonds

Sources:

Bond Proceeds:

Par Amount	\$
Original Issue Premium (Discount)	

Total: \$

Uses:

Refunding Escrow Deposits:	\$
Delivery Date Expenses:	
Costs of Issuance and Contingency	
Underwriter's Discount	

Total: \$

Verification of Mathematical Computations

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

Authority for and Purpose of the Series B 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 various bond resolutions duly adopted by the Village on their respective dates for the objects or purposes listed below. Proceeds from the sale of the Bonds will be used to provide original financing for such improvements pursuant to the resolutions.

<u>Purpose</u>	<u>Resolution Number</u>	<u>Adoption Date</u>	<u>New Money</u>	<u>Amount to Bonds</u>
Construction of Water Wells, Water Mains and Water Meters	06212016-19	06/21/2016	\$ 2,500,000	\$ 2,500,000
Construction of Improvements to Pool Facility and Relate Waterfront Recreational Facilities	07262016-02	07/26/2016	4,000,000	4,000,000
Acquisition and Installation of Platform Tennis Courts	12132016-10	12/13/2016	<u>200,000</u>	<u>200,000</u>
	Totals:		<u>\$ 6,700,000</u>	<u>\$ 6,700,000</u>

Optional Redemption

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

The Series B Bonds maturing on or before December 1, 2025 are not subject to redemption prior to their stated maturity. The Series B Bonds maturing on or after December 1, 2026 will be subject to redemption prior to maturity, at the option of the Village, on any date on or after December 1, 2025, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Series B 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 such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

The Bonds 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 “*The 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 are required to be printed and delivered.

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

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

Source: The Depository Trust Company

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 imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The Tax Certificate of the Village (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Village 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 means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of 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.

For example, the Tax Cuts and Jobs Act (“H.R. 1”), which was passed by the United States House of Representatives on November 16, 2017, would, if enacted into law in its current form, include in gross income the interest on (i) any “qualified” private activity bond and (ii) any advance refunding bond. Such amendments would only apply to bonds issued after December 31, 2017. H.R. 1 would also impact (and generally lower) the current income tax rates for individuals and corporations. On November 21, 2017, the Senate Finance Committee released legislative text which would also prohibit the issuance of tax-exempt advance refunding bonds after December 31, 2017, but would not change the current tax treatment of qualified private activity bonds. Both the House and the Senate proposals would modify the current provisions relative to the alternative minimum tax on individuals and corporations for tax years beginning after December 31, 2017 (eliminating such tax on corporations and suspending it temporarily in respect of individuals). The future of the tax reform legislative efforts is uncertain at this time.

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 respective final approving opinions 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 and Appendix E 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, the form of which is attached hereto as Appendix F.

Continuing Disclosure History

For 2012 and 2015 the Village made late filings of its audited financial statements although annual financial information and operating data as well as unaudited financial statements for these years were filed timely.

The Village has reviewed and modified its continuing disclosure practices to ensure future compliance.

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.

On September 8, 2015, Moody's downgraded the Village's rating on outstanding general obligation bonds to "Aa1" from "Aaa".

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 Market Advisors, LLC, Great Neck and New York, New York, has served as the independent Municipal 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, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Village to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

ADDITIONAL INFORMATION

Additional information regarding the Village may be obtained from Ms. Liz Gaynor, Village Clerk, (516) 883-3044, liz@sandspoint.org, or from the Village's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, (516) 570-0340. The Village will act as Paying Agent with respect to the Bonds. The Village Clerk noted above is the Paying Agent contact.

So far as any statements made in this Official Statement involve matters or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any other statement which may have been made 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 SANDS POINT
NASSAU COUNTY, NEW YORK

By: _____
Kathleen Notaro
Treasurer

DATED: November , 2017

APPENDIX A

THE VILLAGE

THE VILLAGE

General Information

The Village of Sands Point, incorporated in 1910, is located in the northwest section of Nassau County in the Town of North Hempstead (the “Town”). The Village is a waterfront community bounded on the west by Manhasset Bay, on the north by the Long Island Sound and on the east by Hempstead Harbor. South of the Village are the villages of Manorhaven and Port Washington North and the unincorporated area of Port Washington. The Village has a population of 2,675, according to the 2010 US Census, and covers an area of approximately 4.2 square miles.

The Village is a residential community with a large percentage of its residents commuting to New York City for employment. Commuters use the Port Washington Station for their 40 minute trip on the Long Island Rail Road into Manhattan.

The affluent residential character of the Village provides a great attraction to potential homebuyers. Zoning regulations are strictly enforced and the majority of homes range in price between \$1,000,000 and \$4,000,000. According to the 2010 U.S. Census, median housing values and income levels are well above County, State and national averages.

Residents of the Village are afforded recreational activities at private beaches along the Long Island Sound and the Sands Point Golf Club, a private country club. The County owned and operated Sands Point Park and Preserve is located in the Village. It consists of 209 acres of natural and landscaped areas. Forests, meadows, beaches and cliffs, lawns gardens and a freshwater pond provide habitats for a variety of plants and animals. Visitors enjoy the Preserve via its nature trails and self-guided tours.

The Village Club of Sands Point, formerly the IBM Country Club, is owned by the Village. The 208 acre club includes an eighteen hole golf course, swimming pool, 1,900 square feet of beachfront on Hempstead Harbor, a 39,000 square foot manor house with guest rooms and dining facilities, 12 tennis courts, 5 platform tennis courts, basketball courts, volleyball courts, badminton courts, a golf driving range, a putting green, picnic area, playground, golf pro-shop and golf grille. Residential memberships are offered along with some memberships being offered to non-residents. The Village has engaged KemperSports to manage this site and Brightview to maintain the golf course.

Also located in the Village is the Helen Keller National Center for Deaf-Blind Youths and Adults. Established following a unanimous act of Congress in 1967, the Center is a comprehensive rehabilitation, research and training facility. Its headquarters are located on a manicured 25 acre site on Middle Neck Road. Its staff consists of dedicated professionals, technicians, support personnel and community volunteers. The Center has been expressly designed to serve the deaf-blind population. The training, research and administration building, along with the Peter J. Salmon residence (providing temporary homes for their clients) are equipped to meet their comfort, accessibility and safety needs.

Residents of the Village are provided gas and electric services through the Long Island Power Authority. The Village operates its own water supply and distribution system. Police protection is provided by the Village. Fire protection is provided by a volunteer fire department with facilities located in neighboring Port Washington. Educational services are provided by the Port Washington Union Free School District.

Transportation

The Village is approximately 23 miles from John F. Kennedy International Airport and approximately 15 miles from LaGuardia International Airport. In addition, MacArthur Airport is located approximately 40 miles southeast of the Village in the Town of Islip in Suffolk County.

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

Form of Government

The Village is vested with such powers and has the responsibilities inherent in the operation of a municipal government, including the adoption of laws, 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. Village residents also pay real property taxes that fund operations and obligations of the Town, the County, the Port Washington Union Free School District and the public library to support programs conducted by these governmental entities.

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

Elected and Appointed Officials

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

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

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

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

Village Services

Village Hall is the administrative center of municipal operations and includes an Administrative Office Staff, Public Works Department, Water Department and Police Department. The majority of public works projects, i.e. sanitation, street sweeping, sanding and snow removal, cleaning and maintenance of drains, road repair and improvements are accomplished through the competitive bidding process and performed by outside contractors. In addition, the Village manages the Village Club of Sands Point, a golf and recreational facility on approximately 210 acres within the Village.

Health care for Village residents is provided by hospitals located in or near the Village, including St. Francis Hospital, North Shore University Hospital and Long Island Jewish Medical Center.

Employees

The Village provides services through approximately 33 full time employees. 21 of these employees are covered by a collective bargain agreement with the Sands Point Police Benevolent Association, which runs until May 31, 2022.

Employee Pension Benefits

Substantially all employees of the Village are members of the New York State and Local Retirement System (the "Retirement System") which include the Police & Fire Retirement System ("PFRS") and the Employees' Retirement System ("ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for employees hired on or after January 1, 2010, whose benefits vest after ten years. 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 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute three percent or more of their gross annual salary toward the costs of retirement programs for the duration of their employment.

On December 10, 2009, the Governor signed in to law a new Tier 5. The law is effective for new ERS employees hired on or after January 1, 2010 and new PFRS employees hired on or after January 9, 2010. New Tier 5 employees will now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, the Governor signed into law a new Tier 6 pension program, effective for new ERS and PFRS employees hired on or 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.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

The New York State Retirement System has advised the Village that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Village has prepaid its employer contributions each December since the option was made available in 2004.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by Chapter 49. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by Chapter 49 in the near-term. To mitigate the expected increases in the employer contribution rate, legislation was enacted in 2010 that authorizes local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 3%. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified the 2010 law discussed above, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount,

which is higher, and defer the difference in payment amounts as described below. The Village has not and will not be participating in the ERS SCO plan at this time.

Other Post Employment Benefits

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

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

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

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Village account for its unfunded accrued liability and compliance in reporting its ARC. Actuarial valuation is required every 3 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 June 1, 2016 was approximately \$13,640,000. For the year ended May 31, 2017, the Village’s ARC was approximately \$1,700,000

FINANCIAL FACTORS

Independent Audit

The financial statements of the Village were audited by the firm of Nawrocki Smith LLP, independent certified public accountants from 2010 to 2013. The Village’s financial statements have been audited by the firm of R.S. Abrams & Co., LLP, independent certified public accountants from 2014 through and including 2016.

Fund Structure and Accounts

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

The Village has three basic fund types, Governmental, Proprietary and Fiduciary. Governmental Funds are those through which most governmental functions of the Village are processed and include the General Fund and the Capital Projects Fund. Water Fund and Recreation Facility Fund are proprietary funds, which are supported primarily with fees and charges for services. The Trust and Agency Fund is a fiduciary fund used to account for activities in which the Village acts as trustee or agent for resources that belong to others. The General Fund is the principal operating fund and includes all operations not required to be recorded in other funds. All property taxes and most non-tax revenues are paid into the General Fund and applicable revenues are paid into the Water Fund and

Recreational Facility Fund. All current operating expenditures are made from the Funds pursuant to appropriations by the Board of Trustees.

Basis of Accounting

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

Recent Financial Operations

2013 Audited Results. The audited financial statements for the fiscal year ended May 31, 2013 have been restated to correct an overstatement of departmental income receivables in the amount of \$34,264. For the fiscal year ended May 31, 2013, based on the restated audited results, General Fund revenues and other sources were approximately \$10.5 million and General Fund Expenditures and other uses were approximately \$10.9 million, which resulted in an operating deficit of \$404,555 and a cumulative General Fund balance of \$2,373,432.

2014 Audited Results. For the fiscal year ended May 31, 2014, based on audited results, General Fund revenues and other sources were approximately \$11.2 million and General Fund Expenditures and other uses were approximately \$11.0 million, which resulted in an operating surplus of \$217,439 and a cumulative General Fund balance of \$2,590,871.

2015 Audited Results. For the fiscal year ended May 31, 2015, based on audited results, General Fund revenues and other sources were approximately \$10.8 million and General Fund Expenditures and other uses were approximately \$11.7 million, which resulted in an operating deficit of approximately \$934,445 and a cumulative General Fund balance of approximately \$1,656,426.

2016 Audited Results. For the fiscal year ended May 31, 2016, based on audited results, General Fund revenues and other sources were approximately \$11.4 million and General Fund Expenditures and other uses were approximately \$10.3 million, which resulted in an operating surplus of approximately \$1,056,536 and a cumulative General Fund balance of approximately \$2,712,962

2017 Unaudited Results For the fiscal year ended May 31, 2017, based on unaudited results, General Fund revenues and other sources were approximately \$ 11.748 million and General Fund Expenditures and other uses were approximately \$11.203 million, which resulted in an operating surplus of approximately \$ 545,000 and a cumulative General Fund balance of approximately \$ 3,258,000.

2018 Adopted Budget. For the fiscal year ending May 31, 2018, General Fund revenues are budgeted to be approximately \$ 11.2 million and General Fund Expenditures and other uses are approximately \$11.2 million.

Impact of Hurricane Sandy on the Village

As a result of Hurricane Sandy, the Village sustained some damage to infrastructure and improved properties and has received over \$500,000 in total FEMA reimbursement. All eligible reimbursements from FEMA and New York State have been received. The Village has made requisite repairs to damaged properties.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller ("OSC") has developed a Fiscal Stress

Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

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

The most current applicable report of the State Comptroller designates the Village as “no designation.”

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

The financial affairs of the Village are subject to periodic compliance reviews by OSC to ascertain whether the Village has complied with the requirements of various State and federal statutes. The OSC has not produced an audit report for the Village within the past five years.

Revenues

The Village derives a major portion of its General Fund revenues from a tax on real property. Real property taxes accounted for 80.3% of total General Fund revenues for the fiscal year ended May 31, 2016, and State aid accounted for 3.9%.

Real Property Tax. The following table sets forth the total General Fund and real property tax revenues for the last five fiscal years fiscal years as well as the budgeted amount for the current fiscal year.

<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	\$10,532,363	\$8,542,070	81.1%
2014	11,201,606	8,745,770	78.1
2015	10,758,820	8,874,167	82.5
2016	11,358,034	9,121,429	80.3
2017 (Unaudited)	11,748,380	9,177,533	78.1
2018 (Adopted Budget)	11,463,849	9,296,204	81.1

Source: Audited and Unaudited Financial Statements and Adopted Budget 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 3.9% of the total general fund revenues of the Village in the 2016 fiscal year. In the Village’s adopted 2017 budget, State Aid accounts for approximately 2.9% of the total general fund revenues. 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.)

The following table sets forth the total general fund and state aid revenues for the last five fiscal years as well as amount budgeted for the current fiscal year.

<u>Fiscal Year Ending May 31:</u>	<u>State Aid</u>		<u>State Aid to Revenues</u>
	<u>Total Revenues</u>	<u>State Aid</u>	
2013	\$10,532,363	\$400,054	3.8%
2014	11,201,604	384,541	3.4
2015	10,758,820	197,795	1.8
2016	11,358,034	446,276	3.9
2017 (Unaudited)	11,748,380	360,856	3.1
2018 (Adopted Budget)	11,463,849	298,000	2.6

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

Investment Policy Permitted Investments

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

The Village may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Village; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Village pursuant to law, in obligations of the Village.

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

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

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

The Village levies and collects its own taxes. Property taxes become a lien on the first day of the levy year. The tax payment is due on June 1 each year and is payable without penalty during the month of June. Penalties for tax delinquencies are imposed at the rate of 5% for the first month and an additional percentage (which is set by the State each year and in recent years has approximated 1%) for each month or fraction thereof thereafter. The Village enforces liens for unpaid real estate taxes in the manner set forth in the Real Property Tax Law. Tax lien sales are held annually.

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

Real Property Tax Levies and Collections

Fiscal Year <u>Ending May 31:</u>	Gross <u>Tax Levy</u>	Total Taxes <u>Collected</u>	Percentage of <u>Taxes Collected</u>
2012	\$8,336,752	\$8,337,859	100.01%
2013	8,542,070	8,542,070	100.00
2014	8,745,770	8,745,770	100.00
2015	8,874,167	8,874,167	100.00
2016	9,121,429	9,121,429	100.00
2017	9,177,533	9,177,533	100.00

Real Estate Tax Levying Limitation

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

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The following table sets forth the computation of the Village's real estate tax levying limitation and the determination of its tax margin for the fiscal year ending May 31, 2018.

Real Property Tax Assessment and Rates

<u>Assessment Year</u>	<u>Fiscal Year Ending May 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Ratio</u>	<u>Full Valuation</u>
2013	2014	\$ 3,883,557	0.18	\$2,157,531,667
2014	2015	3,347,479	0.17	1,969,105,294
2015	2016	3,081,564	0.15	2,054,376,000
2016	2017	2,689,781	0.12	2,241,484,167
2017	2018	2,100,837	0.09	<u>2,334,263,333</u>
			Total:	<u>\$10,756,760,461</u>
Five-Year Average Valuation				<u>\$2,151,352,092</u>
Tax Levying Limitation: 2% of Average Five-Year Full Valuation:				\$43,027,042
Real Estate Tax Levy for 2017-18				9,296,204
Less: Exclusions				1,107,579
Tax Levy Subject to Tax Limit				<u>8,188,625</u>
Constitutional Net Tax Margin				<u>\$ 34,838,417</u>
Percent of Tax Limitation Exhausted				<u>19.03%</u>

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

Real Property Tax Rates, Levies and Assessments

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

Tax Rates, Levies and Assessments⁽¹⁾

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Assessed Valuation	\$3,883,557	\$3,347,479	\$3,081,564	\$2,689,781	\$2,100,837
Equalization Rates	0.18%	.17%	0.15%	0.12%	0.09%
Full Valuation	\$2,157,531,667	\$1,969,105,294	\$2,054,376,000	\$2,241,484,167	\$2,334,263,333
Village Tax Levy	8,745,770	8,874,167	9,121,429	9,177,533	9,296,204
Tax Rates per \$1,000 A.V.	2,252.00	2,651.00	2,960.00	3,412.00	4,425.00

Source: New York State Office of Real Property Services.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended, (the "Tax Levy Limit Law"), all the taxable real property within the Village had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Village and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Village for any fiscal year commencing after January 1, 2012 continuing through June 15, 2020 or later as provided in the Tax Levy Limit Law, without providing an exclusion for debt

service on obligations issued by the Village. As a result, the power of the Village to levy real estate taxes on all the taxable real property within the Village is subject to statutory limitations set forth in Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Village, subject to certain exceptions. The Tax Levy Limit Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board 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 Village has not ever voted to override the tax levy limit.

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.

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Ten Largest Taxpayers

The following table presents for the fiscal year ended May 31, 2018 the total assessed valuations of the Village’s largest property owners.

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuations</u>	
		<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation⁽¹⁾</u>
Long Island Power Authority	Utility	55,239	2.05%
Sass ⁽²⁾	Residential	17,033	0.63
Vultaggio	Residential	15,126	0.56
Cornwells Beach Realty	Residential	12,501	0.46
24 Hicks	Residential	12,235	0.45
Langone	Residential	11,671	0.43
Old House Lane LLC	Residential	10,551	0.39
Greenblatt	Residential	10,070	0.37
Cornwells Realty	Residential	9,050	0.34
SPGC ⁽²⁾	Recreation	8,580	0.32
	Total:	<u>\$162,056</u>	<u>3.02%</u>

(1) The total assessed valuation of the Village used for the 2017-18 year was \$2,100,837

(2) Tax certiorari claims pending.

VILLAGE INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within two fiscal years periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Village determines to issue debt amortizing on the basis of substantially level or declining annual debt service. The Village is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

Statutory Procedure

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

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

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

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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

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

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

Debt Limit. The Village has the power to contract indebtedness for any Village purpose so long as the principal amount thereof shall not exceed seven 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. (See also "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	\$3,883,557	0.18	\$ 2,157,531,667
2014	2015	3,347,479	0.17	1,969,105,294
2015	2016	3,081,564	0.15	2,054,376,000
2016	2017	2,689,781	0.12	2,241,484,167
2017	2018	2,100,837	0.09	<u>2,334,263,333</u>
Total Five-Year Full Valuations				<u>\$10,756,760,461</u>
Average Full Valuation				<u>\$2,151,352,092</u>
Debt Limit – Seven (7) per centum of Average Full Valuation				<u>\$ 150,594,647</u>

Source: Office of the State Comptroller, Real Property Services

Statement of Debt Contracting Power

Statement of Debt-Contracting Power
(as of November 21, 2017)

Debt-Contracting Limitation:	<u>\$ 150,594,647</u>
Gross Direct Indebtedness:	
Bonds:	
General Purpose	\$6,260,202
Water Purpose	5,829,798
Short Term Obligations:	
Bond Anticipation Notes	0
Total Gross Direct Indebtedness	<u>\$ 12,090,000</u>
Less Exclusions and Deductions:	
Appropriations	0
Bonds-Water Purpose	5,829,798
Total Exclusions	<u>5,829,798</u>
Total Net Direct Indebtedness	<u>\$ 6,260,202</u>
Debt-Contracting Margin	<u>\$144,334,445</u>
Percentage of Debt-Contracting Power Exhausted	<u>4.16%</u>

Source: Village officials.

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 unit's 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	\$3,593,312,000	04/30/17	0.90%	\$ 32,339,808
Town of North Hempstead	275,203,593	09/07/17	3.55	9,769,728
Port Washington UFSD	44,420,000	07/19/17	24.61	<u>10,931,762</u>
Total Net Overlapping Debt				<u>\$ 53,041,298</u>
Total Net Direct Debt				<u>6,260,202</u>
Net Direct and Overlapping Debt				<u>\$ 59,301,500</u>

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	\$ 6,260,202	\$ 2,340	0.27%
Net Direct and Overlapping Debt	59,301,500	22,168	2.54

(1) The population of the Village is 2,675 according to the 2010 U.S. Census.

(2) The Village's full value of taxable real property used to levy taxes in 2017-2018 is \$2,334,263,333

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⁽¹⁾</u>
Bonds:	\$8,595,000	\$6,990,000	\$5,355,000	\$13,550,000	\$12,605,000
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total:	<u>\$8,595,000</u>	<u>\$6,990,000</u>	<u>\$5,355,000</u>	<u>\$13,550,000</u>	<u>\$12,605,000</u>

(1) Unaudited

Source: Audited Financial Statements of the Village. Table itself is not audited.

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.

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 economically defeased obligations.

Bond Principal and Interest Maturity

<u>Fiscal Year Ending May 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017 ⁽¹⁾	\$ 945,000	\$ 449,435	\$ 1,394,435
2018	950,000	332,244	1,282,244
2019	965,000	311,394	1,276,394
2020	985,000	290,244	1,275,244
2021	1,005,000	267,869	1,272,869
2022	1,020,000	244,250	1,264,250
2023	760,000	219,350	979,350
2024	780,000	200,850	980,850
2025	800,000	181,925	981,925
2026	825,000	161,100	986,100
2027	850,000	138,088	988,088
2028	875,000	112,200	987,200
2029	900,000	83,950	983,950
2030	930,000	54,075	984,075
2031	960,000	22,375	982,375
Total:	<u>\$13,550,000</u>	<u>\$3,069,349</u>	<u>\$16,619,349</u>

(1) For the entire fiscal year.

Source: Village Officials.

Authorized but Unissued Debt

As of November 16, 2017, the Village has \$13,200,000 in authorized but unissued debt. This figure includes \$6.7 million to be issued as the Series B new money bonds and \$6.5 million out of \$9 million approved for water bonds. In addition, the Village has authorized the issuance of \$3,300,000 refunding bonds which shall be issued as the Series A refunding bonds.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends based upon recent census data.

	<u>Population Trend</u>		
	<u>2000</u>	<u>2010</u>	<u>2015</u>
Village	2,786	2,675	2,752
Town	222,611	226,322	230,614
County	1,334,544	1,339,532	1,361,500
State	18,976,457	19,378,102	19,673,174

Source: U.S. Census Bureau and 2011-2015 American Community Survey 5-Year Estimates

Income

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

	<u>Median Household Income</u>	
	<u>2010</u>	<u>2015</u>
Town	\$100,760	\$104,698
County	93,613	99,465
State	55,603	59,269

Source: U.S. Census Bureau and American Community Survey 5-Year Estimates

Employment and Unemployment

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

	<u>Civilian Labor Force</u> <u>(Thousands)</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town	114.8	116.2	110.0	112.7	112.7
County	691.3	697.7	684.9	699.6	699.0
State	9,587.2	9,636.0	9,569.1	9,551.7	9,437.3

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

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Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2012	6.1%	7.1%	8.5%
2013	5.2	5.9	7.7
2014	4.4	4.8	6.3
2015	3.9	4.2	5.3
2016	3.6	3.9	4.8

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

Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
August, 2016	3.6%	4.0%	4.9%
September	3.9	4.1	4.9
October	3.7	3.9	4.8
November	3.5	3.7	4.5
December	3.4	3.6	4.5
January, 2017	3.9	4.1	4.9
February	4.1	4.3	5.0
March	3.4	3.7	4.4
April	3.4	3.7	4.2
May	3.5	3.8	4.3
June	3.8	4.1	4.5
July	3.9	4.3	4.9
August	3.8	4.2	4.9
September	3.9	4.1	4.7

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

Major Employers in the Village

<u>Name of Employer</u>	<u>Nature of Business</u>
Village of Sands Point	Government
The Sands Point Golf Club	Golf Course
The Helen Keller Center	Education
Kemper Sports Management. Inc.	Hospitality Services & Golf Course Maintenance

Source: Village Officials.

APPENDIX B

SUMMARY FINANCIAL STATEMENTS

VILLAGE OF SANDS POINT
Balance Sheet
General Fund
Fiscal Year Ended May 31:

	<u>2016</u>	<u>2017 (1)</u>
Assets:		
Cash and Equivalents	\$7,424,248	\$5,291,244
Taxes Receivable	75,068	87,329
Tax Sale Certificates	259,647	405,323
Accounts Receivable	298,117	273,199
Due from Other Funds	1,008,490	1,098,556
Due from Other Governments	44,319	163,959
Deferred Expenditures	<u>358,005</u>	<u>366,449</u>
Total Assets	<u><u>\$9,467,894</u></u>	<u><u>\$7,686,059</u></u>
Liabilities and Fund Balance:		
Liabilities		
Accounts Payable	\$174,125	\$113,255
Accrued Liabilities	152,849	187,707
Due to Other Funds	6,196,937	3,892,615
Due to Other Governments	2,709	0
Due to retirement systems	125,291	127,500
Deferred Revenues	<u>103,021</u>	<u>106,635</u>
Total Liabilities	<u><u>\$6,754,932</u></u>	<u><u>\$4,427,712</u></u>
Fund Balance:		
Nonspendable: Prepaids and Security Deposits	\$1,348,005	\$1,348,449
Restricted:		
Employee Benefit Accrued Liability	86,160	86,474
Debt Service	169,864	9,935
Assigned		
Appropriated fund balance	0	0
Unappropriated fund balance	56,857	16,360
Unassigned	<u>1,052,076</u>	<u>1,797,129</u>
Total Fund Balance	<u><u>2,712,962</u></u>	<u><u>3,258,347</u></u>
Total Liabilities and Fund Balance	<u><u>\$9,467,894</u></u>	<u><u>\$7,686,059</u></u>

(1) Unaudited

Source: Audited and Unaudited Financial Statements of the Village.
Summary itself is not audited.

APPENDIX C

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDING MAY 31, 2016***

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

[HTTPS://EMMA.MSRB.ORG/EP1165253.PDF](https://emma.msrb.org/EP1165253.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. R.S. Abrams & Co., LLP, 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
FOR THE SERIES A BONDS**

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

December 21, 2017

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Sands Point (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 \$3,025,000 Public Improvement Refunding Serial Bonds-2017 Series A (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.

The Village issued its \$6,700,000 Public Improvement Serial Bonds – 2017 Series B (the “Series B Bonds”) on December 14, 2017. The Series B Bonds are treated, together with the Bonds, as a single issue for federal tax purposes. We served as Bond Counsel with respect to the issuance of the Series B Bonds and, on the closing date of the Series B Bonds, we rendered our opinion with respect to the exclusion of interest on the Series B Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Series B Bonds to become subject to federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

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 imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The 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 their date of issuance, 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 the Village will comply with the provisions and procedures set forth therein and that the Village 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 certifications set forth in the Tax Certificate as to such tax matters.

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

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

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

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement 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 said Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL
FOR THE SERIES B BONDS**

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

December 14, 2017

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Sands Point (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 \$6,700,000 Public Improvement Serial Bonds-2017 Series B (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.

On December 21, 2017, the Village expects to issue its \$3,025,000 Public Improvement Refunding Serial Bonds – 2017 Series A (the "Series A Bonds"). The Bonds are treated, together with the Series A Bonds, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Series A Bonds. On December 21, 2017, we expect to render our opinion with respect to the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on the Series A Bonds and the Series B Bonds to become subject to Federal income taxation retroactive to the respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

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 imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

The 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 their date of issuance, 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 the Village will comply with the provisions and procedures set forth therein and that the Village 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 certifications set forth in the Tax Certificate as to such tax matters.

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

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

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

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement 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 said Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE BONDS

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 Sands Point, 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 December 4, 2017.

“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 [\$6,700,000 Public Improvement Serial Bonds-2017 Series B, dated December 14, 2017, maturing in various principal amounts on December 1 in each of the years 2018 to 2040, inclusive,][\$3,025,000 Public Improvement Refunding Serial Bonds-2017 Series A, dated December 21, 2017, maturing in various principal amounts on January 15 in each of the years 2018 to 2031, 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 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 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 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 **December 14, 2017**.

VILLAGE OF SANDS POINT

By _____
Village Treasurer and Chief Fiscal Officer