

**VILLAGE OF PORT JEFFERSON,
IN THE COUNTY OF SUFFOLK, NEW YORK**

NOTICE OF \$720,000 BOND SALE

SEALED PROPOSALS will be received by the Village Treasurer, Village of Port Jefferson (the “Village”), Suffolk County, New York, at the offices of Munistat Services, Inc. (the “Municipal Advisor”), 12 Roosevelt Avenue, Port Jefferson Station, New York (Telephone No. 631-331-8888, Fax No. 631-331-8834), on **Thursday, July 30, 2020**, until 11:00 A.M. (Prevailing Time) via iPreo’s Parity Electronic Bid Submission System (“Parity”) or by facsimile transmission, at which time they will be publicly opened and announced, for the purchase of **\$720,000 PUBLIC IMPROVEMENT SERIAL BONDS-2020** (the “Bonds”), maturing on August 1, in annual principal installments as shown below which, together with interest thereon, are expected to effectuate and provide for substantially level or declining annual debt service.

<u>Date of Maturity</u>	<u>Principal Amount*</u>
2021	\$85,000
2022	95,000
2023	95,000
2024	95,000
2025	95,000
2026	90,000
2027	45,000
2028	45,000
2029	40,000
2030	35,000

Delivery and Payment Dates for the Bonds

The Bonds will be dated the date of their delivery, which is expected to be August 13, 2020, and will bear interest at the rate or rates per annum specified by the successful bidder therefor in accordance herewith, payable on August 1, 2021, and semi-annually thereafter on February 1 and August 1 in each year to maturity.

Post-sale Adjustment of Par Amount of the Bonds

The Village may, after selecting the successful bidder as provided herein, and by 3:00 o’clock P.M. (Prevailing Time) on the day of the bid opening, adjust such installments of principal to the extent necessary, to meet the requirements of substantially level or declining annual debt service. Any such adjustment shall be conclusive, and shall be binding upon the successful bidder.

* Preliminary, subject to change as noted herein.

Changes to the Time and/or Date of Bid Opening

The Village reserves the right to change the time and/or date of the bid opening, and notice of any change thereof shall be provided at least one (1) hour prior to the time set forth above for the opening of sealed proposals, by means of a supplemental notice of sale to be transmitted over the Thomson Municipal Newswire or TM3.

Optional Redemption for the Bonds

The Bonds maturing on or before August 1, 2027 will not be subject to redemption prior to maturity. The Bonds maturing on August 1, 2028 and thereafter, will be subject to redemption, at the option of the Village, prior to maturity, 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), on any date on or after August 1, 2027, at par plus accrued interest to the date of redemption.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Form of Bonds

The Bonds will be issued in the form of fully registered bonds, in denominations corresponding to the aggregate principal amounts due in each year of maturity. At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as book-entry-only bonds. If the Bonds are issued as book-entry-only bonds, the Bonds will be (i) registered in the name of Cede & Co., as nominee of DTC, and (ii) deposited with DTC to be held in trust until maturity. DTC is an automated depository for securities and clearinghouse for securities transactions, and it will be responsible for establishing and maintaining a book-entry system for recording the ownership interests of its participants, which include certain banks, trust companies and securities dealers, and the transfers of the interests among its participants. The DTC participants will be responsible for establishing and maintaining records with respect to the beneficial ownership interests of individual purchasers in the Bonds. Individual purchases of beneficial ownership interests in the Bonds may only be made through book entries (without certificates issued by the Village) made on the books and records of DTC (or a successor depository) and its participants, in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Bonds will be payable by the Village or its agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Village will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Submission of Bids

Each proposal must be a bid of not less than \$720,000 for all of the Bonds and the maximum premium bid for the Bonds shall be \$115,000. Each proposal must state in a multiple of one-hundredth of 1% or a multiple of one-eighth of 1%, the rate or rates of interest per annum which the Bonds are to bear and may state different rates of interest for Bonds maturing in different calendar years; provided, however, that (i) only one rate of interest may be bid for all Bonds maturing in any one calendar year, and (ii) variations in rates of interest so bid shall be in ascending progression in order of maturity so that the rate of interest on Bonds maturing in any particular calendar year shall not be less than the rate of interest applicable to Bonds maturing in any prior calendar year.

Sealed proposals may be submitted electronically via Parity or via facsimile transmission at (631) 331-8834, in accordance with this Notice of Sale, until the time specified herein. No other form of electronic bidding services nor telephone proposals will be accepted. No proposal will be accepted after the time for receiving proposals specified above. Bidders submitting proposals via facsimile must use the "Proposal for Bonds" form attached hereto. Once the proposals are communicated electronically via Parity or via facsimile to the Village, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms therein provided.

Bidding Using Parity

Prospective bidders wishing to submit an electronic bid via Parity must be contracted customers of Parity. Prospective bidders who do not have a contract with Parity must call (212) 849-5021 to become a customer. By submitting an electronic bid for the Bonds, a bidder represents and warrants to the Village that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

Each prospective bidder who wishes to submit an electronic bid shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Village nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Village nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The Village is using Parity as a communications mechanism, and not as the Village's agent, to conduct the electronic bidding for the Village's Bonds. The Village is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the Village is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Bonds, it should telephone Parity and notify the Village's Municipal Advisor, Munistat Services, Inc., at (631) 331-8888 (provided that the Village shall have no obligation to take any action whatsoever upon receipt of such notice).

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021. The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Bidders submitting bids via facsimile do not need to register to bid.

Good Faith Deposit

No good faith deposit is required in connection with the sale of the Bonds.

Award of Bonds

The Bonds will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Bonds at such rate or rates of interest per annum as will produce the lowest net interest cost over the life of such issue, and if two or more such bidders offer the same lowest net interest cost, then to one of said bidders selected by the Sale Officer by lot from among all said bidders. The successful bidder must also pay an amount equal to the interest on the Bonds, if any, accrued to the date of payment of the purchase price.

Award of the Bonds will be made without taking into consideration any adjustment to be made to the principal amount of the Bonds described herein.

The Village reserves the right to reject any and all bids (regardless of the interest rate bid), to reject any bid not complying with this official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid or the bidding process.

Award of the Bonds to the successful bidder, or rejection of all bids, is expected to be made promptly after opening of the bids, but the successful bidder may not withdraw his proposal until after 3:00 o'clock P.M. (Prevailing Time) on the day of such bid-opening and then only if such award has not been made prior to the withdrawal. The successful bidder will be promptly notified of the award to him, and if he refuses or neglects to pay the agreed price of the Bonds less the amount deposited by him, the amount deposited by him shall be forfeited to and retained by the Village as liquidated damages for such neglect or refusal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with the terms hereof.

Use of Proceeds

The proceeds of the Bonds will be issued for the following purposes:

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Amount to be Paid</u>	<u>Amount to be Issued</u>
5/16/2016	Acquisition of Highway Equipment	\$270,000	\$80,000	\$190,000
5/16/2016	Acquisition of a Parcel of Real Property and Construction of a Parking Lot	345,000	80,000	265,000
5/16/2016	Construction of Improvements to Rocket Ship Park	345,000	80,000	265,000
		Totals:	<u>\$960,000</u>	<u>\$720,000</u>

Payment and Security for the Bonds

The Bonds shall be general obligations of the Village and shall contain a pledge of the faith and credit of the Village for the payment of the principal thereof and the interest thereon. The State Constitution requires the Village to pledge its faith and credit for the payment of the principal of the Bonds and the interest thereon and to make annual appropriations for the amounts required for the payment of such interest and the redemption of the Bonds. The State Constitution also provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on the Bonds and certain other obligations of the Village, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes, and also that the fiscal officer of the Village may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

Delivery of the Bonds and Assignment of CUSIP Numbers

The Bonds will be delivered to the Purchaser or to DTC and shall be paid for in Federal Funds on or about August 13, 2020 at such place in New York City, and on such business day and at such hour, as the Sale Officer shall fix on three business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Village's Municipal Advisor to obtain CUSIP numbers for the Bonds within one day after distribution of the Notice of Sale for the Bonds. The Village will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the Village's Municipal Advisor to obtain such numbers and to supply them to the Village in a timely manner. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the winning bidder; however, all expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Village.

Legal Opinion

The successful bidder will be furnished without cost with the approving opinion of the law firm of Hawkins Delafield & Wood LLP ("Bond Counsel").

Tax Exemption

The successful bidder may at its option refuse to accept the Bonds if prior to their delivery the opinion of Bond Counsel is not delivered or if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date, for federal income tax purposes, and in such case the deposit made by it will be returned and it will be relieved of its contractual obligations arising from the acceptance of its proposal.

The Internal Revenue Code of 1986, as amended (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 excludable from gross income under Section 103 of the Code. Concurrently with the delivery of the Bonds, the Village will execute a Tax Certificate, which will contain provisions and procedures relating to compliance with the requirements of the Code and a certification 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 that interest paid on the Bonds is excludable from gross income under Section 103 of the Code.

Upon delivery of the Bonds, Bond Counsel will deliver an opinion that states that, under existing statutes and court decisions and assuming continuing compliance with the provisions and procedures set forth in the Tax Certificate, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, the opinion of Bond Counsel will state that, 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.

Bank Qualification

The Village will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

Obligation of Winning Bidder to Deliver an Issue Price Certificate at Closing

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

The winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of each maturity of the Bonds (the “Initial Reoffering Prices”) as of the date of the award.

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. *Such election must be made on the bid form submitted by each bidder. In the event a bidder submits a bid via Parity, such bidder must notify the Municipal Advisor by email (nnadelson@munistat.com) as to such election at the time such bid is submitted.*

(1) **Hold the Price.** The winning bidder:

(a) will make a *bona fide* offering to the public of all of the Bonds at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Bonds within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Bonds, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

(2) **Follow the Price.** The winning bidder:

(a) will make a *bona fide* offering to the public of all of the Bonds at the Initial Reoffering Prices and provide the Issuer with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the Issuer information regarding the first price that at least 10 percent of the Bonds within each maturity of the Bonds have been sold to the public,

(c) will provide the Issuer with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Bonds, will continue until such date that the requirement set forth in paragraph (b) above for each maturity of the Bonds is satisfied, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Issuer a certificate (the “Reoffering Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Bonds stating the applicable facts as described above. *The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.*

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

For purposes of this Notice, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Documents Accompanying the Delivery of the Bonds

The obligation hereunder to deliver or accept the Bonds pursuant hereto shall be conditioned on the delivery to the successful bidder at the time of delivery of the Bonds of: (i) the opinion of Bond Counsel; (ii) a certificate of the Village Attorney, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Village wherein an adverse judgment or ruling could have a material adverse

impact on the financial condition of the Village or adversely affect the power of the Village to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds. (iii) a certificate signed by the Village Treasurer evidencing payment for the Bonds; (iv) a signature certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the Village nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded, and (v) a Tax Certificate executed by the Village Treasurer.

Additional Information

Copies of this Notice of Sale are available in electronic format on the website of the Village's Municipal Advisor, Munistat Services, Inc. ("www.munistat.com") or may be obtained upon request from the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone No. 631-331-8888.

Dated: July 21, 2020

DENISE MORDENTE
Village Treasurer

PROPOSAL FOR BONDS

July 30, 2020

Denise Mordente, Village Treasurer
Village of Port Jefferson
c/o Munistat Services, Inc.
12 Roosevelt Avenue
Port Jefferson Station, New York 11776

Facsimile: 631-331-8834

Dear Ms. Mordente:

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated July 21, 2020, which is hereby made a part of this Proposal, we offer to purchase all of the \$720,000 Public Improvement Serial Bonds-2020 of the Village of Port Jefferson, New York, described in said Notice of Sale, and to pay therefor the price of \$720,000 plus a premium of \$ _____ (maximum \$115,000), plus interest, if any, accrued on said Bonds from their date to the date of their delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

- Bonds maturing in the year 2021, at _____ %
- Bonds maturing in the year 2022, at _____ %
- Bonds maturing in the year 2023, at _____ %
- Bonds maturing in the year 2024, at _____ %
- Bonds maturing in the year 2025, at _____ %
- Bonds maturing in the year 2026, at _____ %
- Bonds maturing in the year 2027, at _____ %
- Bonds maturing in the year 2028, at _____ %
- Bonds maturing in the year 2029, at _____ %
- Bonds maturing in the year 2030, at _____ %

The following is our computation of the true interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing Proposal for the purchase of \$720,000 bonds under the foregoing Proposal:

Gross Interest	\$ _____
Less Premium Bid Over Par (maximum \$115,000)	\$ _____
True Interest Cost.....	\$ _____
True Interest Rate.....	_____ % (four decimals)

Please check one of the following:

We are purchasing the Bonds for our own account and not with a view to distribution or resale to the public.

- or -

In the event the Competitive Sale Requirements are not met, we hereby elect to

Hold the Price

Follow the Price

Firm: _____

By: _____

Telephone () _____ - _____

Facsimile () _____ - _____

Email: _____

APPENDIX A

FORM OF BOND COUNSEL OPINION

FORM OF OPINION OF BOND COUNSEL

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

July 30, 2020

The Board of Trustees of the
Village of Port Jefferson, in the
County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Village of Port Jefferson, in the County of Suffolk, a municipal corporation of the State of New York (the “Village”), and have examined a record of proceedings relating to the authorization, sale and issuance of the \$720,000 Public Improvement Serial Bonds – 2020 (the “Bond”) of the Village dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bond is a valid and legally binding general obligation 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 Bond and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bond 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 Bond 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 Bond is not treated as a preference item in calculating the alternative minimum tax under the Code.

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

On the date of issuance of the Bond, the Village will execute a Tax Certificate relating to the Bond containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Village represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bond 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 Bond, and (ii) compliance by the Village with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bond, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bond.

We give no assurances as to the accuracy, sufficiency or completeness of 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 said Bond.

Very truly yours,