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 sale of the Bonds offered by this Preliminary Official Statement, in 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.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 18, 2021

REFUNDING ISSUE **Rating: See "Ratings" herein**
BOOK-ENTRY-ONLY **SERIAL BONDS**

In the opinion of Bond Counsel to the Authority, interest on the Bonds (i) is included in gross income for federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York. See "TAX MATTERS" herein.

EAST HAMPTON HOUSING AUTHORITY
TOWN OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

$3,690,000*
HOUSING REFUNDING REVENUE BONDS – 2021 (FEDERALLY TAXABLE)

(the "Bonds")

(Payments of principal and interest to be unconditionally guaranteed by the Town of East Hampton, New York)

Dated: Date of Delivery **Due: May 1, 2022 – 2038**

The Bonds are issued pursuant to the resolution of the East Hampton Housing Authority (the "Authority"), a body corporate and politic and municipal housing authority of the State of New York, in the Town of East Hampton, Suffolk County, New York (the "Town", the "County" and the "State"), adopted October 21, 2021 (the "Resolution"), payable solely from (i) funds of the Authority legally available for such payment and (ii) moneys provided for such payments by the Town pursuant to the Guarantee (hereinafter defined). The Bonds will not be secured by a security interest or other lien on the Project (as hereinafter defined), revenues of the Project or revenues of the Authority. (See "THE GUARANTEE" herein and "Appendix E – Form of Guarantee".) The Bonds will not be secured by a mortgage on the Project. The Bonds shall not constitute a debt or liability of the State of New York or of any political subdivision thereof, or a pledge of the faith and credit of the State of New York or any political subdivision thereof, neither the State of New York nor any political subdivision thereof is obligated to pay the principal and redemption price of and interest on the Bonds and neither the faith and credit nor the taxing power of the State of New York or any such political subdivision thereof is pledged to such payment, except the Town with respect to the Guarantee. The Authority has no taxing power. PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS WILL BE GUARANTEED BY THE TOWN OF EAST HAMPTON, SUFFOLK COUNTY, NEW YORK PURSUANT TO A GUARANTEE AGREEMENT APPROVED BY THE TOWN BOARD ON OTOBER 21, 2021. The guarantee of the payment of the principal and interest on the Bonds by the Town will constitute an obligation of the Town and all taxable property within the Town shall be subject to the levy of ad valorem taxes, subject to statutory limitations set forth in Chapter 97 of the Laws of 2011, as amended (Tax Levy Limit Law), to meet the obligation set forth in such Guarantee.

The Bonds are dated their date of delivery, and will bear interest from that date until maturity at the annual rate or rates specified by the purchaser, payable on May 1, 2022, November 1, 2022, and semiannually thereafter on May 1 and November 1 in each year until maturity. The record date for payment of principal and interest on the Bonds is the fifteenth day of the calendar month proceeding each interest payment date.

The Bonds will be issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds. Payment of the principal of and interest on the Bonds will be made directly by The Bank of New York Mellon, New York, New York, as fiscal agent (the "Fiscal Agent") to DTC or its nominee, Cede & Co., 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. Please see "*Book-Entry-Only System*" under "THE BONDS", herein.

The Bonds are subject to redemption prior to maturity as described under "*Redemption Prior to Maturity*" herein.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel. Certain legal matters will be passed upon for the Town by the Town Attorney. Capital Markets Advisors, LLC has served as Municipal Advisor to the Authority in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in Jersey City, New Jersey through the facilities of DTC on or about December 21, 2021.

THE AUTHORITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "*DISCLOSURE UNDERTAKINGS*" HEREIN.

Dated: November __, 2021

*Preliminary, subject to change.

The Bonds mature on May 1 in each year as set forth below, subject to redemption prior to maturity.

Year	Amount*	Interest Rate	Yield	CUSIP***	Year	Amount*	Interest Rate	Yield	CUSIP***
2022	$55,000	%	%		2031**	$235,000	%	%	
2023	45,000				2032**	240,000			
2024	210,000				2033**	250,000			
2025	210,000				2034**	250,000			
2026	220,000				2035**	255,000			
2027	215,000				2036**	265,000			
2028	225,000				2037**	275,000			
2029	230,000				2038**	280,000			
2030**	230,000								

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.

** Subject to optional redemption prior to maturity. (See *"Optional Redemption"* herein).

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

EAST HAMPTON HOUSING AUTHORITY
TOWN OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

EXECUTIVE DIRECTOR

Catherine M. Casey

AUTHORITY BOARD

Kevin Warren ..... Chairperson
Joseph O'Connell ..... Board Member/Secretary
Amado Ortiz ..... Board Member/Treasurer
Arthur Goldman ..... Board Member
Marian Zucker ..... Board Member
Robert Kauffman & Associates P.C. ..... General Counsel

TOWN OF EAST HAMPTON

SUPERVISOR

Peter Van Scoyoc

TOWN BOARD

Kathee Burke-Gonzalez ..... Deputy Supervisor
Jeffrey L. Bragman ..... Councilman
David Lys ..... Councilman
Sylvia Overby ..... Councilwoman

TOWN OFFICIALS

Rebecca Hansen ..... Town Budget Officer
Carole A. Brennan ..... Town Clerk
Tom Ruhle ……Director, Office of Housing and Community Development
John Jilnicki, Esq. ..... Town Attorney

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC
*Hudson Valley * Long Island * Southern Tier * Western New York*
(516) 487-9818

No dealer, broker, salesperson or other person has been authorized by the Authority or the Town, to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. 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 from the Authority or the Town 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 Authority or the Town, since the date hereof.

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OFFICIAL STATEMENT

Relating To

EAST HAMPTON HOUSING AUTHORITY
TOWN OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

$3,690,000*
Housing Refunding Revenue Bonds – 2021 (Federally Taxable)
(the "Bonds")

(Payments of principal and interest to be unconditionally guaranteed by the Town of East Hampton, New York)

This Official Statement (the "Official Statement"), which includes the cover page, and the appendices hereto presents certain information relating to the East Hampton Housing Authority, a body corporate and politic and municipal housing authority of the State of New York, in the Town of East Hampton (the "Authority"), in connection with the sale and issuance of $3,690,000* Housing Refunding Revenue Bonds – 2021 (Federally Taxable) (the "Bonds"). Terms not otherwise defined herein are as defined in the Guarantee and the Resolution, which are attached hereto as Appendices E and F, respectively.

This Official Statement contains a brief description of the Bonds, the Guarantee, the Authority, the Project and certain information concerning the Town of East Hampton (the "Town"). The proposed form of the Guarantee, the proposed form of the Resolution, the proposed form of approving opinion of Bond Counsel and the forms of continuing disclosure agreements are attached hereto as Appendices E, F, G and H, respectively. The summaries of documents described herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the forms thereof, copies of which are on file with the Authority.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Authority and the Town 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 Authority and the Town relating there-to are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are dated their date of delivery, and will bear interest payable on May 1, 2022, November 1, 2022, and semiannually thereafter on May 1 and November 1 in each year until maturity. The Bonds will mature on May 1 in each of the years as reflected on the inside cover page herein and are subject to redemption prior to maturity. (See "*Redemption Prior to Maturity*" herein.)

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

The record date for payment of principal and interest on the Bonds is the fifteenth day of the calendar month immediately proceeding each interest payment date.

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* Preliminary, subject to change.

Principal of and interest on the Bonds will be made by the Authority to the Fiscal Agent and the Fiscal Agent shall make payments of principal and interest on the Bonds 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. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Authority referred to therein.

Security and Source of Payment

The Bonds will be payable solely from (i) funds of the Authority legally available for such payment and (ii) moneys provided for such payments by the Town pursuant to the Guarantee, as hereafter defined. The Bonds will not be secured by a security interest or other lien on the Project, revenues of the Project or revenues of the Authority. The Bonds will not be secured by any mortgage on the Project. (See "THE GUARANTEE" herein and "Appendix E – Form of Guarantee".)

The Bonds shall not constitute a debt or liability of the State of New York or of any political subdivision thereof, or a pledge of the faith and credit of the State of New York or any political subdivision thereof, neither the State of New York nor any political subdivision thereof is obligated to pay the principal and redemption price of and interest on the Bonds and neither the faith and credit nor the taxing power of the State of New York or any such political subdivision thereof is pledged to such payment, except the Town with respect to the Guarantee. The Authority has no taxing power.

The Town's Guarantee is an obligation of the Town, and all taxable property within the Town will be subject to the levy of ad valorem taxes, subject to statutory limitations set forth in Tax Levy Limit Law, to meet the obligation set forth in the Guarantee. The power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" in Appendix A herein.)

Guarantee of Principal and Interest by the Town

Payment of principal of and interest on the Bonds will be guaranteed by the Town pursuant to a Guarantee authorized pursuant to resolution adopted by the Town Board on October 21, 2021 (the "Guarantee"), for the payment of principal of and interest due and payable on the Bonds. Pursuant to the New York State Constitution and Section 95 of the Public Housing Law of the State of New York, the Town is authorized to guarantee payment of the principal of and interest on the Bonds. The Town's Guarantee is an obligation of the Town, and all taxable property within the Town will be subject to the levy of ad valorem taxes, subject to statutory limitations set forth in Tax Levy Limit Law, to meet the obligation set forth in the Guarantee. The Town is not required by Section 95 of the Public Housing Law, the New York State Constitution or the Guarantee Agreement to appropriate or reserve funds annually in the event that the Town must make payments of the principal of and/or interest on the Bonds pursuant to the terms of the Guarantee Agreement. If funds are not available for such purpose, the Town may authorize the issuance of bonds for the purpose of meeting its obligation under the Guarantee. The issuance of bonds by the Town for this purpose must be authorized by a bond resolution adopted by at least a two-thirds vote of the entire membership of the Town Board. (See "*Security and Source of Payment*", "THE GUARANTEE" and "Appendix E – Form of Guarantee" herein)

Authorization and the Refunding Plan

The Bonds are being issued pursuant to the Constitution and Laws of the State, including among others, the Town Law, the General Municipal Law and the Local Finance Law, and a resolution duly adopted by the Board of Directors of the Authority on October 21, 2021 (the "Resolution"). The form of the Resolution is set forth in "Appendix F – Form of Resolution." A refunding financial plan has been prepared and is described below (the "Refunding Plan").

The Bonds are being issued to refund up to $3,360,000 outstanding principal of the Authority's Housing Revenue Refunding Bonds, 2015 (Federally Taxable) (the "Refunded Bonds"). The Refunded Bonds were issued in the

original principal amount of $4,300,000. Under the Refunding Plan, the Refunded Bonds are to be called and redeemed on May 1, 2023. The net proceeds of the Bonds (after payment of costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by The Bank of New York Mellon, New York, New York (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 Authority and the Escrow Holder, dated as of the delivery date of the Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the resolution of the Authority and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

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

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

Under the Refunding Plan, the Refunded Bonds will continue to be obligations of the Authority 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.

The Refunded Bonds will be called on May 1, 2023 at a redemption price of 100% of the par amount, as described below.

Refunded Bonds*:

Maturity Date:	Principal*	Coupon	CUSIP	Redemption Date/Price*
May 1, 2024	$ 170,000	4.000%	272749 BB7	May 1, 2023 @ 100%
May 1, 2025	175,000	4.000	272749 BC5	May 1, 2023 @ 100%
May 1, 2026	185,000	3.500	272749 BD3	May 1, 2023 @ 100%
May 1, 2027	185,000	3.625	272749 BE1	May 1, 2023 @ 100%
May 1, 2028	200,000	3.750	272749 BF8	May 1, 2023 @ 100%
May 1, 2029	205,000	3.750	272749 BG6	May 1, 2023 @ 100%
May 1, 2030	210,000	3.875	272749 BH4	May 1, 2023 @ 100%
May 1, 2031	220,000	4.000	272749 BJ0	May 1, 2023 @ 100%
May 1, 2032	225,000	4.000	272749 BK7	May 1, 2023 @ 100%
May 1, 2033	240,000	4.000	272749 BL5	May 1, 2023 @ 100%
May 1, 2034	245,000	4.000	272749 BM3	May 1, 2023 @ 100%
May 1, 2035	255,000	4.125	272749 BN1	May 1, 2023 @ 100%
May 1, 2036	270,000	4.125	272749 BP6	May 1, 2023 @ 100%
May 1, 2037	280,000	4.250	272749 BQ4	May 1, 2023 @ 100%
May 1, 2038	295,000	4.250	272749 BR2	May 1, 2023 @ 100%
Total:	$3,360,000			

* Preliminary, subject to change.

Sources and Uses of Proceeds

Sources:

Par Amount
Net Original Issue Premium/Discount

Total:

Uses:

Refunding Escrow Deposit:
Costs of Issuance and Contingency
Underwriter's Discount

Total:

Verification of Mathematical Computations

Causey Demgen and Moore P.C. will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the purchaser's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. 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.

Redemption Prior to Maturity

Optional Redemption. The Bonds maturing on or before May 1, 2029 are not subject to redemption prior to maturity. The Bonds maturing on or after May 1, 2030 will be subject to redemption prior to maturity, at the option of the Authority, on any date on or after May 1, 2029, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Authority may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the Authority shall determine to be in the best interest of the Authority 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 Authority by lot in any customary manner of selection as determined by the Authority.

Extraordinary Redemption. The Bonds are subject to redemption prior to maturity at the direction of the Authority with the consent of the Town, expressed by resolution of the Town Board, upon occurrence of one or more of the following events, as a whole at any time but not in part, at a redemption price equal to 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption:

(1) The Project shall have been damaged or destroyed to the extent that, in the opinion of a professional engineer submitted to the Authority at the request of the Authority, either (i) the Project cannot be reasonably restored or repaired within a period of six months to the condition thereof immediately preceding such damage or destruction or (ii) the Authority would thereby be prevented from carrying on the normal rental operations of the Project, as it existed immediately prior to such damage or destruction, for a period of six months or more; or

(2) Title to, or the use of or possession of, all or substantially all of the Project shall have been condemned or taken under governmental authority, or a Person acting under governmental authority, for any public use or purpose to such extent that, in the opinion of a professional

engineer submitted to the Authority at the request of the Authority, either (i) the Project as it existed immediately prior to such condemnation or taking cannot be reasonably restored or replaced within a period of six months to a condition of comparable usefulness to that existing prior to such condemnation or taking or (ii) the Authority would thereby be prevented from carrying on the normal rental operations of the Project as it existed immediately prior to such condemnation or taking for a period of six months or more.

Notice Provisions. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the bonds and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, 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 Authority. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Authority 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 Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE GUARANTEE

In case of the failure of the Authority to make timely payment of principal and interest in any year, the Town has agreed to make such payment itself. The Town's payment from its own funds of the principal of the Bonds and of each installment of interest thereon will be implemented pursuant to the Guarantee.

Pursuant to the terms of the Guarantee between the Town and the Authority to be dated the date of delivery of the Bonds, the Town irrevocably and unconditionally agrees to pay the registered owners of the Bonds any payment of principal of and interest, or only interest as the case may be, due and payable on the Bonds ("Debt Service") which shall be unpaid to the Fiscal Agent because of: (i) failure of the Authority to pay, or cause to be paid, Debt Service on the Bonds to the Fiscal Agent for the Bonds at least thirty days prior to the date on which Debt Service of the Bonds is due and said failure shall be continuing for two (2) Business Days following the date on which such payment is due from the Authority to the Fiscal Agent or (ii) the avoidance and recovery of any payment of

principal of or of interest on the Bonds from the Fiscal Agent or the Registered Owners by a trustee in bankruptcy, debtor or debtor in possession.

Payments under the Guarantee shall be made by the Town in immediately available funds, to the Fiscal Agent, not later than two business days prior to the date on which the principal and/or interest is due on the Bonds. No failure to give notice to the Town, including, but not limited to, the failure to provide any notice of nonpayment, shall release, reduce or discharge the obligation of the Town under the Guarantee.

In no event shall the aggregate total of all payments of Debt Service made by the Town under the Guarantee exceed the actual amount which shall become due for the payment of Debt Service but shall be unpaid because of Nonpayment.

The Town, in recognition of its irrevocable and unconditional agreement to pay Debt Service, waives its right to any defenses that may limit or alter its obligations under the Guarantee and agrees that the obligation of the Town under the Guarantee will not be released, reduced or discharged in the event the obligation of the Authority to pay Debt Services becomes unenforceable or upon the bankruptcy of the Authority. The Town further agrees that it will not be entitled to subrogation rights until the Bonds are paid in full. (See also "*Security and Source of Payment*" herein.)

THE AUTHORITY

Organized in 1983, the Authority, a body corporate and politic, is a municipal housing authority created and established for the Town under the Public Housing Law of the State of New York for the purpose of providing affordable, decent, safe and sanitary housing for persons of limited income and other related purposes. The address of the Authority is 316 Accabonac Road, East Hampton, New York 11937.

The Authority has a Board of Directors of five members, each appointed to staggered five-year terms by the Town Board. A member is re-appointed or newly appointed in December of each year. At its Annual Reorganization Meeting within the first two weeks of January of each year, the members elect the following officers: Chair, Vice-Chair, Secretary and Treasurer. The fifth member serves as a member-at-large.

By-laws for the Authority are on file with the Supervising Attorney of the New York State Department of Housing And Community Renewal. Any changes to By-laws must be submitted for approval to this agency before becoming effective or will become effective without such approval two months after the request is submitted.

The Authority's budget for its office operations is separate and distinct from the budgets for its apartment complexes. This budget must be submitted to the Authority's liaison on the Town Board (typically a Councilperson) in September of each year. The liaison then submits the proposed budget to the Town Board for approval.

By New York State Law, an Authority member may be compensated at rate not to exceed $2,000 for a member and $2,500 for the Chair per annum and, in addition, shall be entitled to the necessary expenses, including travel expenses, incurred in the discharged of his/her duties.

The Public Housing Law allows the Authority to issue bonds in furtherance of the Public Housing Law's purposes.

The present members and officers of the Authority are listed below.

Name	Position	Term of Office
Kevin Warren	Chairperson	12/16/19 to 12/16/24
Joseph O'Connell	Secretary	12/16/18 to 12/16/23
Amado Ortiz	Treasurer	01/18/18 to 12/31/22
Arthur Goldman	Member-at-Large	12/16/20 to 12/16/25
Marian Zucker	Member-at-Large	12/16/20 to 12/16/21

The Authority's current staff is listed below:

Executive Director:	Catherine Casey
Account Clerk SS:	Jahaira Tirado
Office Assistant SS:	Diana Rodriguez
Avallone Resident Manager:	Brit Mansir
Accabonac Resident Manager:	Kenneth Birmingham
General Counsel:	Robert Kouffman & Associates P.C.

The Authority currently owns and operates the three following low income facilities in the Town. Rents are a combination of fifty percent project based and fifty percent tenant based rents. As low income facilities, the Authority receives a per unit subsidy in addition to tenant rent. Capital improvements to all units are paid by the Authority out of the rents it collects.

Avallone Apartments in Montauk were developed by the Authority in 1993. The Town purchased and gifted the real property to the Authority and the Authority constructed the project. Avallone consists of fifteen (15) one-bedroom units and two (2) two-bedroom units with kitchens. Rent is currently $1420 per month for a one-bedroom unit and $1,800 for a two-bedroom unit. This project was financed through the New York State Housing Trust Fund. All tenants are very low income tenants and approximately half of the units are Section 8 subsidized.

Accabonac Apartments in East Hampton North was developed by the Authority in 1999. The Town purchased and gifted the real property to the Authority and the Authority constructed the project. Accabonac consists of fifty (50), one-, two- and three-bedroom units with kitchens. Rent for one-bedroom units range from $1,399 to $1,642 per month, two-bedroom units range from $1,723 to $2,008, and three-bedroom units range from $2,240 to $2,602. This project was financed through the issuance of tax credits and bonds issued by the Authority with Town Guarantee. All tenants are very low income tenants and every unit is Section 8 subsidized. The Authority owns a 100% interest in the project since purchasing the Investor Partner's interest at the completion of the tax credit compliance period in 2017. There is a $2.7M mortgage on the property through People's United Bank.

The Authority owns and operates a moderate income property, the Springs Fireplace Apartments in East Hampton North that was developed by the Town in 2008 on Springs Fireplace Road on approximately 6 acres of property and subsequently purchased by the Authority. There are thirteen (13) one-bedroom and thirteen (13) two-bedroom units, each with a full kitchen and one or two baths. Monthly rental fees for the units are $1,464 for a one-bedroom unit and $1,793 for a two-bedroom unit, including heat and water. The Project is limited to middle income residents. The units in the project are regulated to ensure that only families earning no more than 130% of the area median income are eligible at lease up. The Bonds are being issued to refinance the outstanding bonds related to this project. Such Bonds issued are subject to a Town guarantee.

In 2020, the Housing Authority completed the most recent property, Gansett Meadow, a 37-unit NYS and federal tax credit property. Gansett Meadow is mixed-income from <30% area median income through 90% with set asides for the various income levels. The property has 12 one-bedroom, 12 two-bedroom, 12 three-bedroom and 1 four-bedroom apartment. There are 8 units which receive Section 8 Project Based subsidy. Rents range from $1025 to $1858 for a one-bedroom, $1224 to $2300 for a two-bedroom, $1416 to $2660 for a three-bedroom, and the four-bedroom rent is $2893. One unit is reserved for an on-site resident manager employed by the project.

All facility operations are managed by Authority. The Authority is responsible for the day-to-day maintenance of the facilities including making basic repairs, maintaining the grounds, screening new tenants, snow removal, etc.

The facilities are exempt from all local and municipally imposed taxes, but the Town will levy an annual payment in lieu of any such local or municipal taxes or charges against each facility.

All prior debt of the Authority has been guaranteed by the Town. The Authority has never called on the guarantee of the Town and all prior debt service payments of the Authority have been paid on time and in full.

Authority Indebtedness

The following table sets forth the total debt service payments required to be made on the Authority bonds prior to the issuance of the Bonds, in each of the years shown below:

Fiscal Year Ended December 31:	Principal	Interest	Annual Debt Service
2021[1]	$ 150,000	$ 149,200	$ 299,200
2022	155,000	143,100	298,100
2023	160,000	136,800	296,800
2024	170,000	130,200	300,200
2025	175,000	123,300	298,300
2026	185,000	116,563	301,563
2027	185,000	109,972	294,972
2028	200,000	102,869	302,869
2029	205,000	95,275	300,275
2030	210,000	87,363	297,363
2031	220,000	78,894	298,894
2032	225,000	69,994	294,994
2033	240,000	60,694	300,694
2034	245,000	50,994	295,994
2035	255,000	40,834	295,834
2036	270,000	30,006	300,006
2037	280,000	18,488	298,488
2038	295,000	6,269	301,269
Totals:	$3,825,000	$1,550,815	$5,375,815

(1) For the entire fiscal year.

In addition, the Authority also has an outstanding non-interest bearing promissory note, supported by a mortgage, with the State of New York Housing Trust Fund Corporation in the principal amount of $917,422 in connection with the Avallone Apartments, a low income housing facility in the Town. Payments pursuant to this promissory note are guaranteed by the Town.

The Authority redeemed the 1999 Housing Revenue Bonds balloon payment with a conventional mortgage through People's United Bank for $2.7 million at 3.78%.

CERTAIN RISK FACTORS

The following description summarizes some of the risk factors associated with the issuance of the Bonds and does not purport to be complete. This Official Statement should be read in its entirety.

The Town

The financial condition of the Town, which has guaranteed the payment of the principal of and interest on the Bonds pursuant to a Guarantee, as well as the market for the Bonds, could be affected by a variety of factors, some of which are beyond the Town's and Authority's control. There can be no assurance that adverse events in the State,

including, for example, the seeking by a municipality or large taxable property owner 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 Town and the Authority to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.
The Town is dependent in part on financial assistance from the State, which is passed through by Suffolk County. 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 Town, in this year or future years, the Town may be affected by a delay until sufficient State taxes have been received by the State to make State aid payments to the Town.

Should the Town fail to receive monies expected from the State in the amounts expected on a timely basis, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In addition, the Town may borrow to finance revenue shortfalls arising from, among other things, mid-year reductions in State aid.

Authority of the Town to File for Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of obligations of the Town should the Town 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 rights of the owners of the Bonds to receive interest and principal from the Authority could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

The Authority is not authorized by New York law to file a federal bankruptcy petition pursuant to the Federal Bankruptcy Code.

Obligations Under the Guarantee

The Town is not required by Section 95 of the Public Housing Law, the New York State Constitution or the Guarantee Agreement to appropriate or reserve funds annually in the event that the Town must make payments of the principal of and/or interest on the Bonds pursuant to the terms of the Guarantee Agreement. If funds are not available for such purpose, the Town may, but is not obligated to under the Guarantee, to authorize the issuance of

bonds for the purpose of meeting its obligation under the Guarantee. The issuance of bonds by the Town must be authorized by a bond resolution adopted by at least a two-thirds vote of the entire membership of the Town Board.

If the Town does not have funds available, sufficient access to the capital markets or alternative sources of financing to satisfy its obligations under the Guarantee, the Town may not be able to make payments of the principal of and/or interest on the Bonds pursuant to the terms of the Guarantee Agreement. However, as noted herein, the guarantee of the payment of the principal and interest on the Bonds by the Town will constitute an obligation of the Town and all taxable property within the Town would be subject to the levy of ad valorem taxes, subject to statutory limitations set forth in Chapter 97 of the Laws of 2011, as amended (Tax Levy Limit Law), to meet the obligation set forth in such Guarantee.

Market Risks

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a Bond may decline, causing the bondholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

Tax Levy Limitation Law

The enactment of the Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limitation Law"), which imposes a tax levy limitation upon municipalities, school districts and fire district in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may have an impact upon the market price for the Bonds.

In addition, continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Town and hence upon the market price of the Bonds. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in the Tax Levy Limitation Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*," in Appendix A herein.)

LITIGATION RELATING TO THE AUTHORITY

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against or affecting the Authority to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale of the Bonds, with respect to the Resolution, including the application of any money or security provided for the payment of the Bonds thereunder, the security provided for the Bonds under the Guarantee, or the existence or powers of the Authority.

For litigation involving the Town, see "*Litigation Relating to the Town*" in Appendix A, herein.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the Authority, interest on the Bonds (i) is included in gross income for federal income tax purposes and (ii) is exempt, under existing statutes, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Bonds by original purchasers of the Bonds who are "U.S. Holders," as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Bonds as a position in a "hedge" or "straddle," U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount ("OID") is greater than a statutorily defined de minimis amount, a U.S. Holder of a Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price." For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated redemption price at maturity" means the sum of all payments, other than "qualified stated interest," provided by such Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "de minimis amount" is an amount equal to 0.25 percent of the Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Bond using the constant-yield method, subject to certain modifications.

Acquisition Discount on Short-Term Taxable Bonds

Each U.S. Holder of a Bond with a maturity not longer than one year (a "Short-Term Taxable Bond") is subject to rules of Sections 1281 through 1283 of the Code, if such U.S. Holder is an accrual method taxpayer, bank, regulated investment company, common trust fund or among certain types of pass-through entities, or if the Short-Term Taxable Bond is held primarily for sale to customers, is identified under Section 1256(e)(2) of the Code as part of a hedging transaction, or is a stripped bond or coupon held by the person responsible for the underlying stripping transaction. In any such instance, interest on, and "acquisition discount" with respect to, the Short-Term Taxable Bond accrue on a ratable (straight-line) basis, subject to an election to accrue such interest and acquisition discount

on a constant-interest-rate basis using daily compounding. “Acquisition discount” means the excess of the stated redemption price of a Short-Term Taxable Bond at maturity over the U.S. Holder’s tax basis therefor.

A U.S. Holder of a Short-Term Taxable Bond not described in the preceding paragraph, including a cash-method taxpayer, must report interest income in accordance with the U.S. Holder’s regular method of tax accounting, unless such U.S. Holder irrevocably elects to accrue acquisition discount currently.

Bond Premium

In general, if a Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable 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 highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder’s basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Bond.

The Authority may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Bonds to be deemed to be no longer outstanding. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Bond and the proceeds of the sale of a Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term “U.S. Holder” means a beneficial owner of a Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under state law and could affect the market price or marketability of the Bonds.

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

LEGALITY OF THE BONDS FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Authority, including the Bonds, and such Bonds are authorized security for any and all public deposits.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix G.

Certain legal matters will be passed upon for the Authority by its General Counsel. Certain legal matters will be passed upon for the Town by the Town Attorney.

DISCLOSURE UNDERTAKINGS

Disclosure Undertaking for the Bonds

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the Town and the Authority each have agreed to provide, at the time of delivery of the Bonds, an executed Disclosure Undertaking in substantially the forms attached hereto as Appendix H-1 and H-2.

Prior Compliance History of the Town

On August 22, 2019, the Town issued $3,500,000 Bond Anticipation Notes – 2019 Series B (Federally Taxable) which were purchased by TD Bank, N.A. On April 22, 2020, the Town made the late filing of the notice of the incurrence of such financial obligation.

RATING

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

On August 5, 2021, Moody's affirmed the Town's long-term, uninsured credit rating of "Aaa" with a stable outlook.

With respect to the Moody's rating applicable to uninsured debt, such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, 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 such bonds or the availability of a secondary market for those bonds.

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Authority to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Authority. 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 may be obtained from the Authority's Executive Director, Catherine Casey, East Hampton Housing Authority, 316 Accabonac Road, East Hampton, New York 11937, (631) 329-7427, or from the Authority's Financial Advisor, Capital Markets Advisors, LLC, One Great Neck Road, Suite 1, Great Neck, New York 11021, (516) 487-9818.

The Bank of New York Mellon, in its role as Fiscal Agent, will act as Paying Agent with respect to the Bonds.

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

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

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Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes,"

"estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Authority assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

EAST HAMPTON HOUSING AUTHORITY
TOWN OF EAST HAMPTON
SUFFOLK COUNTY, NEW YORK

By: _____
Kevin Warren
Chairperson

By: _____
Catherine M. Casey
Executive Director

DATED: November __, 2021

APPENDIX A

CERTAIN INFORMATION CONCERNING THE TOWN OF EAST HAMPTON

THE TOWN

General Information

The Town is the easternmost town on Long Island. It encompasses a land area of approximately 70 square miles on Long Island's south fork and has almost 70 miles of waterfront on three sides. The Town is bordered by the Town of Southampton to the west, the Atlantic Ocean to the east and south and Gardiners Bay to the north.

The land comprising the Town was purchased from the Montaukett Indians and covered approximately 30,000 acres. The first settlement within the present jurisdiction of the Town was made by Lion Gardiner on his privately-owned Gardiners Island in 1639, but organized settlement did not take place until 1648. The original name of the Town was Maidstone but fourteen years later became known as East Hampton. Whaling, fishing, farming and cattle-raising were the basis of the settlers' early economy.

Present day East Hampton provides many artistic, cultural and historic points of interest including the Second House Museum, Old Hook Mill (built in 1806 and later restored), Deep Hollow Ranch (the oldest cattle ranch in America), and Guild Hall, home of the John Drew Theater. The Atlantic Ocean, the bays and the harbors remain the Town's prime attractions, providing swimming, boating and fishing for summer visitors and year-round residents alike.

The Town owns and operates the East Hampton Airport (the "Airport"), located on Daniels Hole Road in the Town. (See "*LITIGATION*" herein).

Form of Government

The Town of East Hampton was established in 1788 by the State as a separate political entity vested with independent taxing and debt authority. There is one incorporated village wholly situated within the Town's borders, the Village of East Hampton, and a portion of a second village, Sag Harbor. The Town has four independently governed school districts wholly located within its borders and portions of two others, all of which rely on their taxing powers granted by the State to raise revenues for school district purposes. The school districts use the Town's assessment roll as the basis for taxation of property within the Town. The Town has four fire districts wholly or partially located within its borders, all of which rely on their taxing powers granted by the State to raise revenues for fire district purposes.

The legislative power of the Town is vested in the Town Board. The Town Board consists of five members, including the Town Supervisor. The Supervisor is the presiding member and Chief Fiscal Officer of the Town and is elected for a term of two years. The four other members of the Town Board are elected to four-year terms. All the Town Board members are elected at-large. There are no limitations as to the number of terms which they may serve.

The Town Clerk serves as custodian of the Town's legal documents and papers, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. Pursuant to the Town Law, the Clerk is elected to serve a four-year term. The number of terms the Clerk may serve is unlimited. The Town Budget Officer is responsible for the Town's fiscal affairs and the efficient operation of the Finance Department, including establishing and maintaining records of and controls on all monies received by the Town, all accounts maintained by the Town and all claims against the Town. The Town Receiver of Taxes is responsible for receiving and collecting all State, County, Town and School taxes and all assessments that may be levied in the Town. Other officers of the Town include: the Highway Superintendent, which is a two-year elected position; the Town Assessors, who are elected to four-year terms; the Town Attorney and Town Receiver of Taxes, who are appointed by the Town Board.

Services

The Town is responsible for providing most governmental services to its residents. Water service is provided by the Suffolk County Water Authority and sewerage is provided by the individual private property owner. Highway construction and maintenance is a Town function. In addition, recreation is provided via parks and beaches which are maintained through Town government. Other services performed at the Town level include: property assessment, building inspection, zoning administration and the local justice court system. The Town furnishes police protection, while the State police provide intermittent patrols of highways and the County police supply special police services. Fire protection is contracted for through the Town's several fire protection districts. Education is the responsibility of the six independent school

districts located in whole or in part in the Town. The County provides various social and health services. Certain services are provided through Town-operated Special Districts and Improvement Areas. Town-operated Special Districts and Improvement Areas are managed and operated by the Town Board.

Employees

The Town provides services through approximately 321 full-time as well as additional part-time employees. The Civil Service Employees Association (the "CSEA") represents 203 employees, the East Hampton Police Benevolent Association (the "PBA") represents 52 officers and 13 dispatchers which are represented by their own union. In 2020, the 13 officers holding the rank of sergeant and above formed a separate collective bargaining unit called the Superior Officers Association (the "SOA"). As a result of the foregoing, the PBA and SOA contracts are negotiated separately. The PBA contract was settled on May 18, 2021 and is effective through December 31, 2024. The public safety dispatchers' contract remain expired. The SOA contract was ratified by the Town Board on September 14, 2021 and is effective through December 31, 2024. The CSEA contract was renewed and ratified on March 24, 2021 and is effective through December 21, 2023.

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) The Retirement Systems are 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 Systems offer 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 members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement Systems 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 Systems. The Retirement Systems are 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 Systems, 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.

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: $45,000.00 or less contributes 3%; $45,000.01 to $55,000.00 contributes 3.5%; $55,000.01 to $75,000.00 contributes 4.5%; $75,000.01 to $100,000.00 contributes 5.75%; and more than $100,000.00 contributes 6%.

The billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. The Town is also required to make a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments is February 1. The New York State Retirement System has advised the Town 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 Town prepaid its employer contribution in December in the years 2004 through and including 2011. The Town did not prepay its employer contribution in December 2012 or December 2013. The Town did prepay its employer contribution in December 2016, 2017, 2018, 2019, 2020 and 2021.

Beginning July 1, 2013, a voluntary defined contribution plan option will be 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.

Employer contribution rates for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. 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 in 2010, legislation was enacted 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 5%. This 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. The Town did not participate in the 2010 pension amortization program.

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 Town has not and will not be participating in the ERS SCO plan at this time or in the foreseeable future.

Other Post Employment Benefits

The Town implemented GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), which replaces GASB Statement No. 45 as of fiscal year ended December 31, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The Town's total OPEB liability as of December 31, 2020 was $161,174,898 using a discount rate of 1.93% and actuarial assumptions and other inputs as described in the Town's December 31, 2020 audited financial statements.

Should the Town be required to fund the total OPEB liability, it could have a material adverse impact upon the Town's finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Town to partially fund its OPEB liability.

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

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such legislation would generally authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. In addition, there would be no limits on how much a local government can deposit into the trust. The Town cannot predict whether such legislation will be enacted into law in the foreseeable future.

Health Care Benefits

The Town provides health care benefits to both current and retired Town employees and their dependents. All full-time Town employees are eligible for benefits while employed by the Town and substantially all of the Town's employees become eligible for benefits if they reach normal retirement age while working for the Town.

The Empire Plan ("NYSHIP") was implemented as of January 1, 2009 and Town employees became insured by NYSHIP as of that date. Since NYSHIP was implemented, health care expenditures have not exceeded budgetary appropriations. The Town's 2021 Adopted Budget appropriates $10.25 million for health care expenditures and expects that such appropriation will be sufficient to pay the expected health care expenditures of the Town in fiscal year 2021.

The Town has determined not to finance future expenditures associated with retiree healthcare benefits for eligible Town employees. Said expenditures are paid on a current basis to eligible retirees. It is likely that the cost of providing these benefits will increase in the future as the costs of the medical care to be provided increases and the number of retired Town employees eligible for such benefits increases. (See *"Other Post Employment Benefits"* herein.)

FINANCIAL FACTORS

Financial Operations

The Supervisor is the Chief Fiscal Officer of the Town as provided in Section 2.00 of the Local Finance Law; and the Town Budget Officer is the chief fiscal advisor to the Town Board. The Town Budget Officer is responsible for the Town's fiscal affairs and the efficient operation of the Finance Department, including establishing and maintaining records of and controls on all monies received by the Town, all accounts maintained by the Town and all claims against the Town.

Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized by the Town Board to issue and sell bonds and notes. As required by law, the Supervisor must execute an authorizing certificate, which is then filed with the Town Clerk.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions, including the development of operating and capital budgets and the issuance of indebtedness.

Budgetary Procedure

The Supervisor, with the assistance of the Town Budget Officer, prepares a preliminary budget for submission to the Town Board. The budget process, including preparation, approval and amendment thereof, is determined by Article 8 of the Town Law. According to law, the tentative budget must be filed in the office of the Town Clerk on or before September 30th of each year. The tentative budget is submitted to the Town Board not later than October 5th. Following review and modification, a preliminary budget hearing is held by November 15th. At this hearing, members of the public may express opinions, which the Town Board may take under advisement. Approval of the budget is not subject to a vote of the electorate and the Town Board may make changes following the hearing process. The Town Board is required to adopt the final annual budget by November 20th. From time to time, the Town Board may make changes or modifications in the amount of annual appropriations subject to legal provisions.

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

Basis of Accounting

The Town complies with the Uniform System of Accounts as prescribed for towns in the State. This system conforms to generally accepted accounting principles as promulgated in the "Codification of Governmental Accounting and Financial Reporting Standards", as published by the Governmental Accounting Standards Board in connection with the Government Accounting Research Foundation of the Government Finance Officers' Association.

The Town prepares an annual financial report, which must be filed with the State Comptroller. Financial statements are annually audited by an independent public accountant and the Town is audited periodically by the State Comptroller. (See "*Independent Audits*" herein.)

Town finances are operated primarily through two general funds and various special revenue funds. These two general funds are needed because some Town functions are not provided to incorporated villages in the Town, which instead provide these functions. The two general funds are called "Townwide" and "Part Town" funds. Current operating expenditures are paid from the funds subject to available appropriations. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar fiscal year for operating and reporting purposes.

Formal Reserve Policy

After a public hearing, the Town Board adopted a Formal Reserve Policy for the Town on September 19, 2002 which has as its goal the maintenance of a 20% fund balance reserve in all funds. For several years prior to 2010, the Town accumulated substantial deficits in several funds and did not have a General Fund balance reserve (see "*Deficit Financing*" herein.) However, since 2010, the Town began the process of replenishing fund balance and creating dedicated reserves for a portion of its fund balance. (See "*Recent Operating Results*" herein.)

Fiscal Recovery

For several years prior to 2010, the Town experienced financial difficulties as a result of consistently underbudgeting expenses and overbudgeting revenues. During the period 2005 through 2008, the Town's former Budget Officer unlawfully used Community Preservation Fund monies to fund the Town's operating expenses, thus concealing consecutive years of operating deficits.

The Town took several steps to address the financial difficulties that it faced, including the issuance of deficit bonds pursuant to Special State legislation to fund the accumulated deficits in the General Fund which totaled $27,257,902, developing and adopting conservative budgets which resulted in positive operating results, changing from self-insured health insurance to the Empire Plan, adopting property tax increases, retaining new auditors and instituting various new internal controls.

For the fiscal year ended December 31, 2010, operating surpluses realized by the Town were used to reduce the General Fund deficit; repay all Town funds which were owed money from the General Fund through interfund transfers; and fund new reserves established by the Town Board.

In 2011, the Town continued its fiscal recovery such that positive operating performance and results, together with the deficit financing resulted in the first positive cumulative fund balances in the General Fund (Townwide and Part-Town) since 2004. (See "*Recent Operating results*" herein.)

Since 2011, the Town has realized operating surpluses in the General Fund, which have added to the positive cumulative fund balance in the General Fund.

In addition, the Town Budget Officer has assessed the design and operating effectiveness of selected internal controls which has provided an improved understanding of the flow of transactions, including information technology aspects to identify points at which financial misstatements can occur. In particular, a new method of tracking all capital projects and finances related to those projects has been designed. Budget software has been implemented by the Town which will allow the tracking of capital projects and underlying sources of funding. The travel policy for all Town employees was revised for 2011 and internal controls and segregation of duties were implemented with respect to the transfer of funds between bank accounts and wiring of funds. Internal controls continued to be strengthened throughout 2013 and into 2014 with the establishment of the Town's Internal Audit Division, which has evaluated such things as controls and checks over petty cash funds and the operation of the Town's information technology function.

The New York State Office of the State Comptroller has reviewed the Town's annual Tentative Budgets since the Town's first deficit financing borrowing in 2008 and has never identified any substantive shortfalls in such budgets. The Town made the final payment on its deficit financing on March 15, 2021 at which time the substantial surpluses that now exist in

various Town funds will be composed of cash accumulated from the Town's strict financial management and conservative budgeting over the last ten years.

Deficit Financing

Pursuant to Special State Legislation enacted on behalf of the Town, the Town issued bonds in the amount of $22,230,000 to partially liquidate accumulated deficits in the Town's General Fund which totaled $27,257,902. The balance of such accumulated deficit was reduced as a result of positive operating results for fiscal year 2010. The Town made the final payment on such bonds on March 15, 2021.

For each fiscal year during which the deficit bonds were outstanding, the Town needed to submit to the New York State Comptroller its tentative or preliminary budget for the succeeding fiscal year. The New York State Comptroller needed to examine the proposed budget and make recommendations for any changes that were needed to bring the proposed budget into balance. Such recommendations were made after the examination into the estimates of revenues and expenditures of the Town. The Town Board needed to review all recommendations made by the New York State Comptroller and could make adjustments to its proposed budget consistent with those recommendations. All recommendations that the Town Board rejected must be explained in writing to the Office of the New York State Comptroller. The Town could not issue bonds or notes for any purpose until it had responded in writing to the recommendations made by the New York State Comptroller's Office.

For each fiscal year that any bonds or notes issued to fund the deficits were outstanding, the Town needed to prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire budget. The Town had submitted quarterly financial reports to the State Comptroller's office through the 3rd quarter of 2021 as required. Such budgetary reports needed to compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures made to date. The report needed to also contain a corrective action plan to address any unfavorable budget variances. All reports needed to be completed within thirty (30) days after the end of each quarter and needed to be submitted at the end of each quarter to each member of the Town Board, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

In addition, for each fiscal year that any bond or notes issued to fund the deficits were outstanding, the Town needed to prepare a three (3) year financial plan covering the next succeeding fiscal year and the two fiscal years thereafter. The financial plan needed to contain the information required by paragraph (e) of Section 10.10 and must be submitted to each member of the Town Board, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.

For each fiscal year occurring during the time bonds and/or bond anticipation notes issued to fund the deficits were outstanding, the Town Supervisor needed to notify the State Comptroller at least fifteen (15) days prior to the issuance of any bonds or notes or entering into any installment purchase contract by the Town. The Town has complied with this procedure with respect to the issuance of the Bonds and the Notes.

The Town has filed quarterly reports and a three-year financial plan update with the Office of the State Comptroller as required by New York State Local Finance law. The Town has also had its yearly tentative budget audited by the Office of the State Comptroller. The Town is current with all required filings with the State and has received no comments or negative feedback from the State on its tentative budgets for the last three years.

Recent Operating Results

For the fiscal years ended December 31, 2003 to December 31, 2008, the Town accumulated significant deficits in its General Fund (Townwide and Part Town Funds). As a result of the issuance of deficit bonds by the Town in 2010 and 2011, and positive operating results in 2009 and 2010, such accumulated deficits were eliminated. (See "*Deficit Financing*" herein.) As of the fiscal year ended December 31, 2011, the General Fund (Townwide and Part Town) had positive cumulative fund balances. Based upon audited results, this positive trend continued through the fiscal year ended December 31, 2020.

General Fund – Townwide

For the fiscal year ended December 31, 2016, based on audited figures, the Townwide General Fund revenues and other sources were $35,953,443 and Townwide General Fund expenditures and other uses were $33,451,388. Based on audited figures, the Town recognized an operating Townwide General Fund surplus, including other sources and uses, of $2,502,055 which when added to the fund balance at the beginning of the year of $9,812,616 resulted in a cumulative Townwide General Fund balance of $12,314,671.

For the fiscal year ended December 31, 2017, based on audited figures, the Townwide General Fund revenues and other sources were $31,541,145 and Townwide General Fund expenditures and other uses were $29,998,184. Based on audited figures, the Town recognized an operating Townwide General Fund surplus, including other sources and uses, of $1,542,961 which when added to the fund balance at the beginning of the year of $12,314,671 resulted in a cumulative Townwide General Fund balance of $13,857,632.

For the fiscal year ended December 31, 2018, based on audited figures, the Townwide General Fund revenues and other sources were $31,880,204 and Townwide General Fund expenditures and other uses were $31,938,308. Based on audited figures, the Town recognized an operating Townwide General Fund deficit, including other sources and uses, of $58,104 which when subtracted to the fund balance at the beginning of the year of $13,857,632 resulted in a cumulative Townwide General Fund balance of $13,799,528.

For the fiscal year ended December 31, 2019, based on audited figures, the Townwide General Fund revenues and other sources were $39,317,058 and Townwide General Fund expenditures and other uses were $38,641,756. Based on audited figures, the Town recognized an operating Townwide General Fund surplus, including other sources and uses, of $675,302 which when added to the fund balance at the beginning of the year of $13,799,528 resulted in a cumulative Townwide General Fund balance of $14,474,830.

For the fiscal year ended December 31, 2020, based on audited figures, the Townwide General Fund revenues and other sources were $34,983,754 and Townwide General Fund expenditures and other uses were $31,485,614. Based on audited figures, the Town recognized an operating Townwide General Fund surplus, including other sources and uses, of $3,498,140 which when added to the fund balance at the beginning of the year of $14,474,830 resulted in a cumulative Townwide General Fund balance of $17,972,970.

The Adopted Budget for the 2021 fiscal year includes a tax levy increase which remained within the allowable tax levy cap. For the fiscal year ended December 31, 2021, the budgeted Townwide General Fund revenues and expenditures are $32,765,358. (See "*Risk Factors*" and *"Impacts of COVID-19"* herein.)

Part Town Fund

For the fiscal year ended December 31, 2016, based on audited figures, the Part Town Fund revenues and other sources were $26,106,998 and Part Town Fund expenditures and other uses were $24,154,530. The Town recognized an operating Part Town Fund surplus, including other sources and uses, of $1,952,468, which when added to the fund balance at the beginning of the year of $7,427,136 resulted in a cumulative Part Town Fund balance of $9,379,604.

For the fiscal year ended December 31, 2017, based on audited figures, the Part Town Fund revenues and other sources were $27,020,443 and Part Town Fund expenditures and other uses were $24,511,041. The Town recognized an operating Part Town Fund surplus, including other sources and uses, of $2,509,402, which when added to the fund balance at the beginning of the year of $9,379,604 resulted in a cumulative Part Town Fund balance of $11,889,006.

For the fiscal year ended December 31, 2018, based on audited figures, the Part Town Fund revenues and other sources were $27,470,579 and Part Town Fund expenditures and other uses were $26,051,536. The Town recognized an operating Part Town Fund surplus, including other sources and uses, of $1,419,043, which when added to the fund balance at the beginning of the year of $11,889,006 resulted in a cumulative Part Town Fund balance of $13,308,049.

For the fiscal year ended December 31, 2019, based on audited figures, the Part Town Fund revenues and other sources were $29,198,378 and Part Town Fund expenditures and other uses were $27,754,578. The Town recognized an operating Part Town Fund surplus, including other sources and uses, of $1,443,800, which when added to the fund balance at the beginning of the year of $13,308,049 resulted in a cumulative Part Town Fund balance of $14,751,849.

For the fiscal year ended December 31, 2020, based on audited figures, the Part Town Fund revenues and other sources were $29,193,629 and Part Town Fund expenditures and other uses were $28,527,268. The Town recognized an operating Part Town Fund surplus, including other sources and uses, of $666,361, which when added to the fund balance at the beginning of the year of $14,751,849 resulted in a cumulative Part Town Fund balance of $15,418,210.

The Adopted Budget for the 2021 fiscal year includes a tax levy increase which remained within the allowable tax levy cap. For the fiscal year ended December 31, 2021, the budgeted Part Town Fund revenues and expenditures are $29,756,892. (See "*Risk Factors* and *"Impacts of COVID-19"* herein.)

Independent Audits

The Financial Statements for the fiscal years 2007 through and including 2020 were audited by the firm Nawrocki Smith LLP, Certified Public Accountants (the "Auditors"). Appendix B to the Official Statement presents excerpts from the Town's most recent audited reports covering the fiscal years ended December 31, 2016 through 2020, inclusive.

In the Town's audited financial statements for the fiscal years ended December 31, 2012 through 2020, inclusive, the Town's auditors did not find any significant internal control problems with respect to Town operations. As a result, the Town anticipates achieving increased efficiency and cost effectiveness in its operations. (See "*Health Care Benefits*" and "*Deficit Financing*" herein.)

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

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

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

The most current applicable report of the State Comptroller designates the Town as "no designation."

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. On November 9, 2020, OSC reviewed the Town's 2021 tentative budget and found that the significant revenue and expenditure projections in the tentative budget were reasonable. Complete reports can be obtained from OSC's website.

See the State Comptroller's official website for more information. Reference to this website implies no warranty of accuracy of information therein. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Revenues

The Town derives its revenues primarily from real property taxes and special assessments, State aid, and departmental fees and charges. (See *"Statement of Revenues, Expenditures and Changes in Fund Balance"* in Appendix B herein). Property taxes accounted for 62.7% of total General Fund (Townwide) revenues and 82.2% of total General Fund (Part Town) revenues for the fiscal year ended December 31, 2020**,** while State aid accounted for 22.8% of total General Fund (Townwide) revenues and 3.5% of total General Fund (Part Town) revenues for the same period. State aid revenues

generally accounts for less than 1% of the total General Fund (Part Town) revenues and thus are not shown in the tables that follow. In 2017, 2018, 2019 and 2020, an increase in public safety funding through the County/State sales tax increased such revenues to between 3 and 4%. The General Fund (Part Town) covers the unincorporated areas of the Town.

Real Property Taxes

The following table sets forth total General Fund (Townwide) revenues and real property taxes received for each of the last five audited fiscal years and the amount budgeted for the current fiscal year.

Real Property Taxes – Townwide

Fiscal Year Ended December 31:	Total Revenues	Real Property Taxes	Real Property Taxes to Revenues
2016	$30,038,805	$19,251,964	64.1%
2017	30,246,017	18,888,948	62.5
2018	30,540,396	19,421,332	63.6
2019	31,685,834	20,377,628	64.3
2020	33,272,165	20,849,494	62.7
2021 (Adopted Budget)	32,765,358	20,818,797	63.5

Source: Audited Financial Statements and Adopted Budget of the Town.

The following table sets forth total General Fund revenues (Part Town) and real property taxes received for each of the last five audited fiscal years and the amount budgeted for the current fiscal year.

Real Property Taxes - Part Town

Fiscal Year Ended December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues
2016	$26,083,547	$21,133,417	81.0%
2017	26,954,143	22,037,482	81.8
2018	27,378,395	22,233,729	81.2
2019	28,741,514	22,909,103	79.7
2020	29,150,828	23,966,280	82.2
2021 (Adopted Budget)	29,756,892	25,413,645	85.4

Source: Audited Financial Statements and Adopted Budget of the Town.

State Aid

The Town receives financial assistance from the State. State aid is budgeted to be 15.5% of the total General Fund (Townwide) revenues in 2021. A substantial portion of the State aid received is directed to be used for specific programs.

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 Town, in this year or future years, the Town 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 Town, 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 Town. No assurance can be given that present State aid levels will be maintained in the future. Due to the outbreak of COVID-19, the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses for an extended period. The outbreak of COVID-19 and the dramatic steps taken by

the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "*Risk Factors*" and "*Impacts of COVID-19"* herein.)

The State's 2020-2021 Adopted Budget authorized the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues came in below 99% percent of estimates or if actual disbursements exceeded 101% of estimates. Specifically, the legislation provided that the State Budget Director would determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director would be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provided that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature failed to approve its own plan, the Budget Director's reductions take effect automatically.

It was anticipated that the State Budget Director's powers discussed herein would be activated and across-the-board and targeted reductions to local aid programs would be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020, the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projected a $13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions were expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts were expected to carry through each subsequent year of the four-year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

Following the passage of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES") and the American Rescue Plan Act ("ARP") as well as other Federal stimulus aid received by the State, the need for such cuts in State aid to municipalities, including the Town, were eliminated.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

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The following table sets forth total General Fund (Townwide) revenues and State aid received for each of the last five audited fiscal years and the amount budgeted for the current fiscal year.

State Aid – Townwide Only

Fiscal Year Ended December 31	Total Revenues[1]	State Aid	Ratio of State Aid to Total Revenues
2015	$29,761,518	$5,110,949	17.2%
2016	30,038,805	5,367,693	17.9
2017	30,246,017	5,167,785	17.1
2018	30,540,396	5,530,260	18.1
2019	31,685,834	4,977,243	15.7
2020	33,272,165	7,584,216	22.8
2021 (Adopted Budget)	32,765,358	5,077,000	15.5

(1) General Fund, Townwide only.

Source: Audited Financial Statements and Adopted Budget of the Town.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

Impacts of COVID-19

The COVID-19 pandemic has impacted the Town's fees which include parking fees, court fees, Parks and Recreation fees. Building permit fees and mortgage tax receipts ended the year 2020 on a positive note, with an increase in home sales. As a result, the Town exceeded revenue expectations for the major funds in the 2020 fiscal year. Expenditures on an aggregate basis were on target with savings from less spending in general during 2020 to neutralize the more than $2 million the Town has spent on COVID-19 related programs (including a fully functioning vaccination center), materials and supplies. The Town has been working with FEMA to ensure it is reimbursed up to 75% for COVID related expenses. Furthermore, the Town submitted its request for funding under the American Rescue Plan Act, which is estimated to be approximately $2 million. The Town's very ample fund balances and surpluses have strongly positioned it to deal with an emergency like the COVID-19 pandemic and other emergencies that might occur in the future.

Climate Change

The Town has taken a number of actions to deal with beach erosion and sea level rise. This includes a completed joint Town-Army Corps of Engineers project to address erosion on the Montauk ocean beach and working with the Federal government to implement the Fire Island to Montauk Point beach erosion project. The Town will be the recipient of a State grant for the completion of a Coastal Assessment Resiliency Plan ("CARP") which examines erosion risks, storm vulnerability and expected degree of natural recovery. The Town has conducted various presentations and workshops on

this issue for the last few years. The Town has a special committee working with plan stakeholders during this process. The plan will be subject to a formal public hearing by the Town Board in early 2022 and is due to be adopted shortly thereafter.

Real Estate Transfer Tax

In 1998, the Town, along with four other East End towns on Long Island, were authorized by the New York State Legislature to collect a 2% real estate transfer tax to achieve open space and farmland preservation through the voluntary acquisition of land and development rights in targeted areas pursuant to a Community Preservation Project Plan (the "Plan"). Such transfer tax monies are restricted and are not generally available for ordinary Town purposes.

One of the goals of the Plan is to preserve lands which contain: "fresh and saltwater marshes"; "aquifer recharge areas"; "undeveloped beach lands or shoreline", "pine barrens"; and "rivers, river areas in natural, free flowing condition". In addition, the plan states that the preservation of "unique or threatened ecological areas" will be considered for protection of unique costal or estuarine habitats. Furthermore, the Plan allows for "restoration and preservation of historic properties".

The Plan's primary purpose is to protect the above described lands from development by preserving them through land purchases, purchases of development rights, and conservation easements. According to the Plan, stopping or reducing development will limit the amount of fertilizers, pesticides, oil spills and leaks, septic system leaks, and street runoff which would otherwise drain into our surface waters or groundwater recharge areas. This plan will also protect surface water and groundwater by limiting development through the purchase of land or development or development rights.

The 2% real estate tax is collected by Suffolk County and transferred to the Town monthly, in arrears, to its Community Preservation Fund. The tax was implemented on April 1, 1999. The revenues of the Community Preservation Fund are expected to be used to pay debt service on the bonds issued to finance these land purchases.

The table below presents the annual revenues and expenditures for the Community Preservation Fund.

Community Preservation Fund – Revenues and Expenditures

	2016	2017	2018	2019	2020
Revenues	$27,760,053	$27,248,706	$32,958,582	$23,579,479	$42,882,336
Debt Service and Land Acquisition Expenses	33,261,837	46,369,733	16,246,046	27,479,876	$20,051,248
Ending Fund Balance	$41,644,665	$22,523,638	$39,236,174	$35,335,777	$58,166,865

The legislation authorizing the 2% real estate tax was set to expire on March 31, 2030. The Town approved a proposal to amend its potential use through a referendum in November 2016 that allows the Town to use up to 20% of the Community Preservation Fund monies to improve water quality and extends the 2% real estate tax to 2050.

The Community Preservation Fund is supported by revenues from a 2% real estate transfer tax imposed by the Town pursuant to Article 31-D of New York State Tax Law. The authority to levy and collect the tax expires on December 31, 2050. This revenue is used to help protect and preserve the community character through the acquisition of interests or rights in real property within the Town and villages including the purchase and/or preservation of historic lands and buildings, parks and recreations properties, open space and forestlands, wetlands, beaches and shoreline, and farmland. A maximum of 20% of the fund annually, may be used for water quality improvement projects. The Town has also authorized the issuance of bonds to advance its purchasing ability, which are expected to be supported by future revenues of the Community Preservation Fund through the year 2050. Upon completion of the Community Preservation Project Plan, any remaining funds will be applied to reduce any bonded indebtedness or other obligations incurred.

Town Deposits and Investments

New York State law strictly limits the disposition of Town funds and requires Towns to designate one or more banks or trust companies for the deposit of public funds. All deposits must be made to the credit of the Town and all such deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be fully collateralized by statutorily defined "eligible securities" pursuant to an agreement between the Town and such depository bank. Eligible securities that may be utilized by the Town pursuant to its adopted investment policy, include the following:

1) Obligations issued by the United States of America, an agency thereof or a United States Government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
2) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.
3) Obligations issued or fully insured or guaranteed by this State, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which, under a specific state statute, may be accepted as security for deposit or public monies.
4) Obligations issued by states (other than New York State) of the United States rated in one of the three highest rating categories by at least one nationally recognized credit rating organization.
5) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized credit rating organization.
6) Obligations of counties, cities and other governmental entities of another state other than New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized credit rating organization.
7) Obligations of domestic corporations rated in one of the three highest rating categories by at least one nationally recognized credit rating organization.
8) Zero-Coupon obligations of the United States Government marketed as "Treasury STRIPS" (sometimes utilized to match-fund specific obligations).

Collateral agreements entered into by the Town must provide that the eligible securities are being pledged by the bank as security for Town deposits and must provide the conditions under which the securities held may be valued, sold, presented for payment, substituted or released and the events of default which will enable the Town to exercise its rights against the pledged securities. Such collateral agreements must also provide that the pledged securities will be held by the bank as agent and custodian for the Town will be kept separate and apart from the general assets of the bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities of the bank.

The Town also has the power to invest funds of the Town not required for immediate expenditure in the special time deposit accounts in or certificates of deposits issued by a bank or trust company located and authorized to do business in the State of New York. Any such investments must be payable within such times as the proceeds shall be needed to meet expenditures for which such monies were obtained and must provide that such time deposit account or certificate of deposit be collateralized in the same manner as provided for Town deposits above. This prevents the Town from having to sell such investments prior to maturity or redemption and thereby avoids market risk for such investments. The Town may also make temporary investments of public funds in obligations of the United States of America where the payment of principal and interest are guaranteed by the United States of America or in obligations of the State of New York or with the approval of the New York State Comptroller in obligations of New York State municipal corporations.

All temporary investments must be payable or redeemable at the option of the Town within such times, as the proceeds will be needed by the Town. The Town has no power to accumulate and apply Town funds solely for investment purposes.

TAX INFORMATION

Tax Collection Procedures

The Town receives tax revenues under the two-payment tax system. The first half is due December 1st of the preceding fiscal year and payable until January 10th without penalty, or full tax payment can be made during this period of time. Second half taxes are due May 10th each year and are payable until May 31st without penalty. After January 10th, one percent per month is added to first half tax payment. After May 31st, when the tax rolls are turned over to the County, all taxes are payable to the County Treasurer with an additional penalty to date of payment.

For 2020, due to the global pandemic, for any tax rolls turned over to the County on May 31st, the County allowed taxpayers to pay by June 21st without any additional penalties.

There are no uncollected Town items at the close of the fiscal year. The Town Receiver of Taxes collects the County tax as well as the General Town, Town Highway, School and Special District levies. Before the tax rolls are returned to the County at the end of the tax period (May 31st), the Town Receiver of Taxes pays in full to the Supervisor, the General

Town, Town Highway, School and Special District levies. Any uncollected items are deducted from the amount returned to the County and the County assumes the responsibility for the enforcement of all unpaid taxes. The County conducts tax sales each year in accordance with the provisions of the Suffolk County Tax Act.

Real Property Taxes and Assessments

The following table shows the trend during the last five completed fiscal years for taxable assessed valuations, state equalization rates, full valuations, real property taxes and real property tax rates.

Real Property Tax Assessment and Rates
(For the Fiscal Year Ending December 31:)

	2017	2018	2019	2020	2021
Assessed Value	$ 199,658,928	$ 200,465,483	$ 201,651,639	$ 203,843,718	$ 205,527,935
Equalization Rate	.0059	.0057	.0058	.0058	.0058
Full Value	33,840,496,271	35,169,382,982	34,767,523,965	35,145,468,621	35,435,850,862
Tax Levy for Town Purposes(1)	$ 46,809,854	$ 47,785,115	$ 49,426,826	$ 50,870,536	$ 52,350,822
Tax Rate for Town Purposes(2)	$ 279.11	$ 283.78	$ 291.25	$ 297.12	$ 304.51

(1) Levy amount reflects General Fund and Highway Fund levies. Does not reflect the levies for special districts.
(2) Tax Rate Per $1,000 Assessed Value. Inclusive of General Fund and Highway Fund levies.

Source: Town Officials and the 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 Town has been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town, without limitation as to rate or amount is subject to statutory limitations, according to the formulas 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 Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town 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 Town 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 Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax

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

Ten of the Largest Taxpayers

The following table presents the taxable assessments of ten of the Town's largest taxpayers for the tax period ending December 31, 2021.

Taxable Assessments

Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation[1]
Keyspan Energy Development Corp.	Utility	$ 773,354	0.37%
Bruce Wasserstein	Private	326,375	0.16
Gurney's Inn Resort & Spa LTD	Hotel & Restaurant	323,700	0.16
Lewis Sanders	Private	301,300	0.15
Boulevard Associates, LLC	Commercial	275,912	0.13
Stewart J. Rahr Foundation	Private	275,000	0.13
Trust U/A/D 11/17/86	Private	264,000	0.13
252 Further Lane, LLC	Real Estate	262,750	0.13
Calvin Klein	Private	262,480	0.13
Long Island Lighting Company	Utility	261,429	0.13
Totals		$3,326,300	1.62%

(1) The Town's total assessed valuation for the 2021 fiscal year is $205,527,935.

Source: Town Tax Assessor's Office

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted, no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Town 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 Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. The State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town 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 Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See *"Tax Levy Limit Law"* herein.)

Debt Limit. The Town has the power to contract indebtedness for any Town 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 Town 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 completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the Town to increase its annual tax levy. (See *"Tax Levy Limit Law"* herein.)

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town 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 Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town 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 Town Board, the finance board of the Town. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Town voters at the discretion of the Town Board. If a bond resolution is submitted to the voters by the Town Board, then only a three-fifths vote of the Town Board is needed for adoption.

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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 (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein.)

In addition, under each bond resolution, the Town Board may delegate the power to issue and sell bonds and notes to the Supervisor, the chief fiscal officer of the Town.

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

Constitutional Debt Contracting Limit

The following table sets forth the computation of the current debt-contracting limitation of the Town.

Constitutional Debt Contracting Limit

Assessment Roll Completed December 31:	For Fiscal Year Ending December 31:	Assessed Valuation	State Equalization Rate	Full Valuation
2016	2017	$199,658,928	0.0059	$33,840,496,271
2017	2018	200,465,483	0.0057	35,169,382,982
2018	2019	201,651,639	0.0058	34,767,523,965
2019	2020	203,843,718	0.0058	35,145,468,621
2020	2021	205,527,935	0.0058	35,435,850,862
Total Five-Year Full Valuation				$174,358,722,701
Five-Year Average Full Valuation				34,871,744,540
Debt Contracting Limitation: 7% of Average Full Valuation				$ 2,441,022,188

Source: New York State Office of Real Property Services.

Debt Contracting Limitation
(As of November 16, 2021)

Debt-Contracting Limitation:		$2,441,022,188
Gross Direct Indebtedness:		
Bonds:		
General Purpose	$76,810,000	
NYS EFC Bonds[1]	3,380,000	
Total Bonds		$80,190,000
Bond Anticipation Notes ("BANs"):		8,850,635
Housing Guarantees[2]		4,592,442
Total Gross Direct Indebtedness		$93,633,077
Less Exclusions and Deductions:		
Appropriations for Non-Exempt Indebtedness During 2021 Fiscal Year		0
Total Net Direct Indebtedness		$93,633,077
Debt-Contracting Margin		$2,347,389,111
Percentage of Debt-Contracting Power Exhausted		3.84%

(1) New York State Environmental Facilities Corporation.
(2) See "*Additional Borrowings – East Hampton Housing Authority*" herein.

Source: Town Budget Office

Bond Anticipation Notes

The Town currently has the following outstanding bond anticipation notes:

Bond Anticipation Notes

Dated	Due	Issue		Amount
08/19/21	08/19/22	Bond Anticipation Notes – 2021 Series A		$7,667,635
08/19/21	08/19/22	Bond Anticipation Notes – 2021 Series B		1,183,000
			Total	$8,850,635

Tax and Revenue Anticipation Notes

The Town has not issued any tax or revenue anticipation notes in recent years.

Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding at year end for the last five fiscal years. (See also "*East Hampton Housing Authority*" herein).

Capital Indebtedness Outstanding

	2016	2017	2018	2019	2020
Bonds[1]	$ 89,815,941	$ 80,545,000	$ 82,710,000	$ 90,410,000	$ 89,059,696
Bond Anticipation Notes	11,056,899	24,650,990	41,367,403	16,767,800	7,007,700
Total	$100,872,840	$105,195,990	$124,077,403	107,177,800	107,177,800

(1) Exclusive of bonds issued by the East Hampton Housing Authority, which are subject to a guarantee of the Town. See "*East Hampton Housing Authority*" herein.

Source: Audited Financial Statements and information provided by the Town Budget office.

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Overlapping and Underlying Debt

In addition to the Town, other political units have the power to incur indebtedness payable from property taxes levied on property in the Town. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units.

Statement of Direct and Overlapping Indebtedness

Issuing Entity	Net Indebtedness	Town Share	Net Indebtedness as of:	Net Overlapping Indebtedness
Suffolk County	$1,257,117,989	6.30%	07/14/21	$ 79,198,433
East Hampton Village	3,540,000	100.00	01/25/21	3,540,000
Sag Harbor Village	5,495,000	33.00	08/20/20	1,813,350
School Districts				
Amagansett	0	100.00	06/30/20	0
East Hampton	33,192,000	100.00	12/15/20	33,192,000
Montauk	1,498,562	100.00	06/30/20	1,498,562
Sag Harbor	17,245,000	11.80	10/22/20	2,034,910
Springs	15,662,700	100.00	01/27/21	15,662,700
Wainscott	345,000	90.00	06/30/20	310,500
Fire Districts				
Amagansett	1,480,000	100.00	12/31/19	1,480,000
Bridgehampton	2,845,348	75.00	12/31/19	2,134,011
Montauk	0	100.00	12/31/19	0
Springs	310,142	100.00	12/31/19	310,142
Total Overlapping Debt				$141,174,608
Total Net Direct Debt				93,633,077
Total Net Direct and Overlapping Debt				$234,807,685

Source: County, Village and District Officials, and the Special Report on Municipal Affairs, released by the State Comptroller.

Debt Ratios

The following table presents certain debt ratios relating to the Town's Statement of Direct and Overlapping Indebtedness.

Debt Ratios

	Amount	Debt Per Capita (1)	Debt to Full Value (2)
Net Direct Debt	$ 93,633,077	$ 3,299	0.26%
Net Direct and Overlapping Debt	234,807,685	8,272	0.66

(1) The Town has a population of 28,385 according to the 2020 Census.
(2) The full valuation of real property in the Town for the 2021 fiscal year is $35,435,850,862.

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Debt Service Schedule

The following table shows the debt service requirements to maturity, on the Town's outstanding general obligation bonded indebtedness for future fiscal years, exclusive of refunded bonds of the Town and debt issued by the East Hampton Housing Authority.

Bond Principal and Interest Maturity Table

Fiscal Year Ending December 31:	Principal	Interest [(1)(2)]	Total Debt Service [(1)]
2021[(3)]	$12,029,696	$ 3,086,011	$ 15,115,707
2022	12,705,000	2,732,264	15,437,264
2023	10,795,000	2,195,869	12,990,869
2024	9,320,000	1,813,708	11,133,708
2025	8,385,000	1,498,905	9,883,905
2026	7,215,000	1,198,919	8,413,919
2027	5,275,000	954,539	6,229,539
2028	4,340,000	754,356	5,094,356
2029	4,505,000	583,047	5,088,047
2030	2,940,000	413,457	3,353,457
2031	2,575,000	307,056	2,882,056
2032	2,645,000	229,022	2,874,022
2033	2,695,000	177,977	2,872,977
2034	2,500,000	130,864	2,630,864
2035	2,545,000	85,983	2,630,983
2036	1,635,000	39,033	1,674,033
2037	25,000	2,333	27,333
2038	30,000	1,845	31,845
2039	30,000	1,245	31,245
2040	30,000	630	30,630
Totals	$92,219,696	$16,207,063	$108,426,759

(1) Exclusive of 50% interest subsidy on bonds financed through the New York State Environmental Facilities Corporation and bonds issued by the East Hampton Housing Authority, which are subject to a guarantee by the Town. (See "*Additional Borrowings – East Hampton Housing Authority*" herein.)
(2) Off slightly due to rounding.
(3) For the entire fiscal year.

Source: Audited Financial Statements of the Town.

Additional Borrowings and Certain Recurring Obligations

Landfill Capping

The Town currently performs monitoring activities at the Montauk Landfill and the Springs-Fireplace Landfill at a total cost of approximately $150,000 per year. The Town will be required to perform certain maintenance and monitoring at the Montauk Landfill and Springs-Fireplace Landfill for the next thirty years. Such post closure maintenance and monitoring activities for both landfill sites will be paid for from annual budgetary appropriations of the Town.

Open Space Preservation

Pursuant to its Community Preservation Fund law, the Town has funded the purchase of land or development rights for preservation purposes through the Environmental Facilities Corporation ("EFC"), as well as, through a bond issue of

$25,000,000 in 2006. Under this plan, the Town borrowed $13,167,466 in 2002 through EFC for 10 years. In 2003, the Town borrowed an additional $4,886,413 over 18 years. In January 2004 and June 2004, the Town borrowed $4,590,980 and $4,703,347, respectively. The January 2004 loan matured in November 2020. The June 2004 loan matures in August 2033. The Town receives a 50% interest rate subsidy over the life of EFC issues. The Town uses the revenues generated by the 2% real estate transfer tax to pay the debt service on the bonds issued under its Community Preservation Fund, however, such indebtedness remains a general obligation of the Town containing the Town's faith and credit pledge. (See "*Real Estate Transfer Tax*, herein.)

Closure of Scavenger Wastewater Facility

In 2014, the Town Board decided to close the Scavenger Wastewater Facility primarily because of increasing costs and it resulted in Town taxpayers subsidizing the private businesses of several wastewater hauling companies. Due to low volume and high fixed costs, the Town was unable to charge the very few haulers a per gallon fee large enough to cover the total cost of operating the facility. The per gallon fee required for the facility to be self-sustaining would have been prohibitive for the several private haulers using the facility and forced them away. As a result, the facility was closed in November 2014.

The plant and its operating equipment have been officially decommissioned. The Town borrowed for the costs associated with the decommissioning process and the 2020 budget, consisting primarily of closure costs and existing debt service, was reduced to $54,629 and the tax levy was eliminated through the use of fund balance reserves. This will continue to decrease since the facility is closed and as the fund's debt is retired.

In January 2020, the Town sold the reclaimed property to the East Hampton Union Free School District for $2.3 million. The proceeds were used to retire approximately $114,800 in associated outstanding debt and the remaining funds will be transferred to the General Fund to be used to fund capital projects. The estimated amount to be transferred is approximately $1,735,000.

In order to legally dissolve the Wastewater District and allow the transfer of its remaining assets to the General Fund, the Town requested that Assemblyman Fred Thiele and Senator Anthony Palumbo sponsor legislation to permit the Town to use the assets to fund one or more Town-wide capital projects. Such projects would be specified in a hearing notice and the formal dissolution and asset transfer subject to a public hearing. The legislation successfully passed both houses of the State Legislature and was signed into law by Governor Hochul on October 8, 2021. The Town Board is expected to take the next steps to formally complete the dissolution.

East Hampton Housing Authority

On December 4, 2008, the Town sold a 26-unit housing project located on Springs Fireplace Road (the "Springs Fireplace Project"), which the Town constructed, to the East Hampton Housing Authority. The Authority funded the purchase of the Springs Fireplace Project through the issuance of bonds of the Authority, guaranteed by the Town (the "Springs Fireplace 2008 Bonds"). The Springs Fireplace 2008 Bonds were refunded with the proceeds of the refunding bonds of the Authority issued in 2015 (the "Springs Fireplace 2015 Bonds"). The proceeds of the Bonds will be used to refund the Springs Fireplace 2015 Bonds, maturing the years 2022 through 2038, inclusive.

The $4,250,000 proceeds from the sale of the Springs Fireplace 2008 Bonds were deposited in the Town's Capital Fund to replenish approximately $3.8 million of monies which had been borrowed by the Town to finance the reconstruction of Town Hall facilities but were instead diverted to pay for the construction of the Housing Project at a time when the reconstruction of the Town Hall facilities was delayed. The Town recognized that these transactions were not properly accounted for and has worked with the Town's auditors to ensure the funds have been properly accounted for in the 2008 financial records and that policies and procedures have been implemented to ensure that such a situation is never repeated. This issue was addressed during the capital project review by the independent auditors.

The Authority's Springs Fireplace 2015 Bonds are payable, and the Bonds will be payable, from the revenues received by the Authority from the operation of the Springs Fireplace Project. The Authority's bonds do not constitute a debt or liability of the State of New York or of any political subdivision thereof, except the Town with respect to a guarantee by the Town of timely payment of principal and interest on such bonds.

Tentative Future Borrowings

The Town has several major projects that have been approved but not finalized that it may finance with bonds or notes for over the next several years. These include an addition to the Montauk Playhouse Community Center, the construction of a new Senior Center, the relocation of the Town Shellfish Hatchery and Town constructed Affordable Housing. Any borrowing that is undertaken for these projects will be part of a structured capital spending plan that is consistent with the Town's policy goal of borrowing no more in a given year than it retires in principal bond debt.

The following table shows the debt service requirements to maturity, on the Housing Authority's outstanding bonded indebtedness for future fiscal years guaranteed by the Town.

Housing Authority Bond Principal and Interest Maturity Table

Fiscal Year Ending December 31:	Principal	Interest	Total Debt Service (1)(2)
2021(3)	$150,000	$149,200	$299,200
2022	155,000	143,100	298,100
2023	160,000	136,800	296,800
2024	170,000	130,200	300,200
2025	175,000	123,300	298,300
2026	185,000	116,563	301,563
2027	185,000	109,972	294,972
2028	200,000	102,869	302,869
2029	205,000	95,275	300,275
2030	210,000	87,363	297,363
2031	220,000	78,894	298,894
2032	225,000	69,994	294,994
2033	240,000	60,694	300,694
2034	245,000	50,994	295,994
2035	255,000	40,834	295,834
2036	270,000	30,006	300,006
2037	280,000	18,488	298,488
2038	295,000	6,269	301,269
Totals	$ 3,825,000	$ 1,550,815	$ 5,375,815

(1) Off slightly due to rounding.
(2) Debt service guaranteed by the Town.
(3) For the entire fiscal year.

Source: East Hampton Housing Authority.

The Authority also has an outstanding non-interest bearing promissory note, supported by a mortgage with the State of New York Housing Trust Fund Corporation, in the amount of $917,422 in connection with the Avallone Apartments, a low income housing facility in the Town. Payments pursuant to this promissory note are also guaranteed by the Town.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the Town, County and State.

Population Trends

	2000	2010	2020	Percentage Change 2010-2020
Town	19,719	21,457	28,385	32.29%
County	1,419,369	1,492,364	1,525,920	2.25
State	18,976,457	19,378,102	20,201,249	4.25

Source: U.S. Census Bureau.

Income

The following table presents median household income for the Town, County and State.

Median Household Income

	2000	2010	2019	Percentage Change 2010-2019
Town	$52,201	$72,803	$96,687	28.4%
County	65,288	84,235	101,031	19.9
State	43,393	55,217	68,486	24.0

Source: U.S. Census Bureau.

Employment and Unemployment

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

Major Employers in the Town

Name of Employer	Number of Employees[1]	Nature of Business
Town of East Hampton	665	Municipality
Public Schools (4 Districts)	533	Education
Gurney's Inn	250	Restaurant & Hotel
Dune Management	230	Hotel
Village of East Hampton	165	Municipality
Riverhead Building Supply	59	Construction Supplies
United States Post Office	38	Post Office
East Hampton STAR Newspaper	35	Media

(1) Includes seasonal or part-time employees.

Source: Local Official Estimates and Telephone Survey.

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Yearly Average Unemployment Rates

Year	County	State
2016	4.4%	4.9%
2017	4.5	4.6
2018	3.8	4.1
2019	3.5	3.8
2020	8.5	10.0

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

Data provided in the following tables is not necessarily representative of the Town.

Civilian Labor Force

	2016	2017	2018	2019	2020
County	774,200	775,800	775,500	776,800	764,600
State	9,527,000	9,549,000	9,511,200	9,507,100	9,289,200

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

Monthly Unemployment Rates

Month	County	State
July 2020	12.4%	14.8%
August	9.5	11.6
September	6.4	9.9
October	5.8	8.3
November	5.7	8.3
December	5.8	8.5
January 2021	6.4	9.4
February	6.9	9.7
March	6.1	8.4
April	5.3	7.7
May	4.7	7.0
June	5.0	7.3

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

Culture and Recreation

With its numerous ocean and bay beaches, the Town is a major recreational area for residents of New York, New Jersey and Connecticut. State parks are located at Montauk and Hither Hills, the latter offering oceanfront camping facilities. Chartered and party fishing fleets sail daily from Montauk, affording both in-shore and deep-sea fishing for both food and sport. Sightseers may visit the Deep Hollow Ranch, the Second House Museum, the Old Customs House and Montauk Lighthouse. There is also a wide variety of inns, motels, and housekeeping apartments and wide selection of restaurants located within the Town.

Educational, Cultural and Medical Institutions

The Town is the location of artistic, cultural and historical points of interest including, but not limited to, the John Drew Theater, Guild Hall, the Pollock-Krasner House and Study Center, the Home Sweet Home Museum, the Longhouse Reserve and several art galleries. The East Hampton Historical Society serves the residents and visitors of the Town by collecting, preserving, presenting and interpreting the material, cultural and economic heritage of the Town and its surroundings.

Colleges and universities in the area include State University of New York at Stony Brook, St. Joseph's College and Suffolk Community College.

There are numerous public libraries located throughout the Town which sponsor various programs of general interest to adults and children throughout the year. The Fieldhouse at Southampton offers programs featuring well-known musical groups, off-Broadway revivals and programs of classical and popular music.

Hospital services are provided by numerous area hospitals including Stony Brook/Southampton Hospital in Southampton, Stony Brook University Hospital in Stony Brook and Northwell-Peconic Bay Medical Center in Riverhead.

Transportation

Montauk Highway (Route 27) is the main east-west highway that extends the length of the Town. State Route 114 runs north-south from the Village of East Hampton through Sag Harbor and North Haven and then continues by ferry to Shelter Island and, again by ferry to the north fork of Long Island at Greenport. An interior network of Town and County roads serves the Town, as does the Long Island Railroad's Montauk Division with stations at East Hampton, Amagansett and Montauk. The Town has initiated a seasonal bus service in Montauk to assist the summer resort community and facilitate movement in an area of Town greatly dependent on seasonal business and tourism.

East Hampton Airport comprises approximately 600 acres and has been operated, since its origin in 1938, solely by the Town. A wide range of aircraft types, ranging from small single engine trainers to corporate jets, use the airport. Out of town corporate aircraft frequent the airport with passengers for the convention and seminar facilities in the area as well as business and recreational uses. No major commercial service is available at the East Hampton facility; however, such service is available at MacArthur Airport approximately 55 miles west in the Town of Islip.

In March 2019, the Town partnered with the Long Island Railroad to provide a new commuter public transportation service. The program provides rush hour train service linked to local bus routes to deliver workers to their job locations in an effort to reduce the cost and time of commuting for local employees.

Financial Institutions

Financial institutions located in the Town include Apple Bank, Bank of America, Dime Bank, Capital One, JPMorgan Chase Bank and Peoples United Bank.

Utilities

Water service is supplied by the Suffolk County Water Authority. Gas and electric service is provided by the PSEG Long Island and National Grid.

LITIGATION RELATING TO THE TOWN

The Town was a defendant in a matter originally captioned *Thomas Cangemi et al.* v. *The United States of America, the U.S. Army Corps of Engineers, Col. John R. Boule II, The Town of East Hampton, William J. Wilkinson, County of Suffolk, State of New York, Joe Martens, Commissioner of the New York State Department of Environmental Conservation, and Cesar A. Peralies, Secretary of the New York State Department of State*. This lawsuit sought to hold the Town responsible for damages to eleven properties owned by the Plaintiffs, as well as for damage to various public areas west of the Lake Montauk Harbor jetties. The case asserted that the jetties, which were constructed before the Town acquired the property in the early 1940s, are responsible for erosion along the western shoreline. Plaintiffs have sought both monetary damages for specific injury to their properties, and injunctive relief to force the Town to remediate the entire western shoreline with an infusion of sand. The Town largely succeeded on an early motion to dismiss, which eliminated all the Federal claims and some state claims, but left remaining claims for private nuisance, public nuisance, and trespass against the Town, and the court denied the Town's motion for summary judgment on those remaining claims. All other defendants were dismissed from the case. The jury rendered a verdict against the Town on June 29, 2018 for $355,961.27, representing out of pocket expenses for damages to seven of the properties but found in favor of the Town on the public nuisance claim. The Town then made a post-trial motion to set aside the verdict. The Court granted the Town's motions in their entirety. The Court reversed its prior decisions on the Town's motions to dismiss, motion for summary judgment, motions *in limine* and

evidentiary arguments, finding the Town is not responsible for fixing a problem it did not cause, approve or exacerbate. The Plaintiffs appealed their loss, and the United States Court of Appeals in a decision dated decided September 7, 2021 confirmed the decision of the district court granting judgment to the Town of East Hampton.

On January 29, 2015, an administrative complaint brought under 14 CFR Part 16 Complaint was brought by a coalition including Friends of the East Hampton Airport, Inc; Anlar Corporation; Associated Aircraft Group, Inc.; Helicopter Association International, Inc.; Heliflite Shares LLC; Liberty Helicopters, Inc.; and Shoreline Aviation, Inc. (collectively, the "Complainants") against the Town. The Complainants in this case are individuals and corporate entities that use the East Hampton Airport. This Part 16 Complaint alleged that the Town violated various FAA Grant Assurances by: (1) raising the landing fees and fuel flowage fees in 2014; (2) failing to have a compliant pavement maintenance management plan; (3) failing to properly maintain runways and aircraft ramp and apron areas in safe operating condition; (4) taking steps to permanently convert Runway 4-22 to a taxiway; (5) failing to properly maintain airport lighting; (6) failing to maintain an effective perimeter fence; (7) failing to timely install an FAA-certified Automated Weather Observing System ("AWOS"); (8) permitting non-aeronautical users of Airport property to pay below fair-market value rental rates; and (9) failing to remove trees that obstruct the approach path to Airport runways. *Friends of the East Hampton Airport, Inc. et al v. Town of East Hampton*. (FAA Docket No. 16-15-02). On May 15, 2015, the Town filed its Answer, in which the Town notified FAA that the Town had already implemented a comprehensive plan to address airport improvement needs; that it was actively addressing many of the issues identified in the Complaint; and that it had already completed several issues addressed in the *Friends* Complaint. The Town also proposed to work with FAA to adopt a corrective action plan on two outstanding and unresolved airport issues: (1) implementation of an effective airport pavement maintenance-management program; and (2) ensuring that revenues from non-aeronautical tenants comply with federal obligations. On Tuesday, January 31, 2017, the FAA issued two decisions. First, it accepted the Town's offer to adopt a corrective action plan on two longstanding compliance issues. Second, FAA bifurcated the remaining issues in the case and granted itself another extension of time to review those matters. The Town filed its corrective action plan on April 3, 2017. The FAA has taken no further action on either the corrective action plan or the remaining, bifurcated case. The Town's grant assurances expired on September 26, 2021. As a result, the FAA may dismiss this action as moot.

The Town has been named as one of several defendants in a putative class action lawsuit brought by residents of Wainscott whose private drinking water wells were found contaminated with perfluorooctanoic acid ("PFOA") and/or perfluorooctane sulfonate ("PFOS"). The putative class alleges that the contamination emanates from properties the Town owns. Similarly, the Town has been named as a counterclaim defendant with respect to causes of action brought by the property owners of Wainscott Commercial Center due to, among other things, detections of PFOA and PFOS in the groundwater under their property. While these causes of action may or may not have merit against other defendants named in those actions, the Town does not anticipate a material judgment, if any, being entered against it with respect to these actions as there is no evidence that the Town caused releases of PFOA and PFOS at any of its properties, and in any event, the Town engaged in immediate and substantial efforts to remedy any issue. Among other things, the Town extended the public drinking water line to provide an alternative water source to Wainscott residents and has entered into a consent order with the New York State Department of Environmental Conservation to remediate the contamination. The Town has also commenced suit against the responsible parties for the contamination, which include manufacturers of PFOA/PFOS, manufacturers of various products, including aqueous film-forming foam ("AFFF") and certain end-users of such products including various local fire departments to recover the Town's costs and other damages associated with the contamination. In the unlikely scenario that the Town is deemed liable, the Town does not expect to make a material expenditure to satisfy any judgment or other resolution.

Various other notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, condemnation proceedings, civil rights violations and administrative determinations by Town officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the Town. In the opinion of the Town Attorney, the resolution of such various other claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage.

Pursuant to the Local Finance Law, the Town is authorized to issue bonds or notes to finance judgments and claims, if necessary.

END OF APPENDIX A

APPENDIX B

SUMMARY OF FINANCIAL STATEMENTS OF THE TOWN AND THE AUTHORITY

TOWN OF EAST HAMPTON

Statement of Budgeted Revenues & Expenditures

General Fund - Townwide

Fiscal Year Ended December 31:

	Adopted 2020	Adopted 2021
Revenues		
Real Property Taxes	$20,849,494	$20,818,797
Other tax items	243,200	244,000
Departmental Income	1,492,800	1,500,850
Use of Money and Property	772,110	622,240
Licenses and Permits	838,000	823,000
Fines and Forfeitures	1,160,000	810,000
Miscellaneous Local Sources	200,700	155,700
State aid	5,080,000	5,077,000
Federal aid	130,000	175,000
Interfund Transfers	1,139,849	1,091,920
Appropriated Fund Balance	990,387	1,446,851
Total Revenues	$32,896,540	$32,765,358
Expenditures		
General Government Support	$12,343,378	$12,422,143
Public Safety	574,096	383,730
Transportation	2,031,658	2,180,490
Economic Assistance & Opportunity	1,872,252	2,008,842
Culture and Recreation	3,666,617	3,959,641
Home and Community Services	2,615,117	2,646,904
Employee Benefits	1,382,000	1,450,000
Debt Service	8,009,663	7,290,768
Internal Transfers	401,759	422,840
Total Expenditures	$32,896,540	$32,765,358

Source: Adopted Budgets of the Town.

TOWN OF EAST HAMPTON

Statement of Budgeted Revenues & Expenditures

General Fund - Part Town

Fiscal Year Ended December 31:

	Adopted 2020	Adopted 2021
Revenues		
Real Property Taxes	$23,966,280	$25,413,645
Other Tax Items	1,240,000	742,500
Departmental Income	2,702,000	2,512,000
Use of Money and Property	333,300	340,700
Fines and Forfeitures	0	0
Miscellaneous Local Sources	29,200	31,000
State & Federal Aid	37,485	34,555
Interfund Transfers	0	0
Appropriated Fund Balance	803,348	682,492
Total Revenues	$29,111,613	$29,756,892
Expenditures		
General Government Support	$1,507,106	$1,564,852
Public Safety	21,281,036	22,034,493
Home and Community Services	1,878,235	1,893,170
Employee Benefits	1,810,725	1,993,600
Debt Service	2,634,511	2,270,777
Internal Transfer	0	0
Total Expenditures	$29,111,613	$29,756,892

Source: Adopted Budgets of the Town.

TOWN OF EAST HAMPTON

Combined Balance Sheet

General Fund - Townwide

Fiscal Years Ended December 31:

	2019	2020
Assets		
Cash and Investments	$7,532,855	$12,354,358
Restricted Cash	1,911,276	2,159,417
Accounts Receivable, net	406,270	425,559
Prepaid expenses	297,820	298,713
Due From Other Funds	2,969,469	1,531,416
State and Federal Aid Receivable	2,483,553	3,161,535
Due from Fiduciary Funds	500,000	0
Due from Other Governments	669,544	115,514
Total Assets	$16,770,787	$20,046,512
Liabilities		
Accounts Payable	$700,393	$1,039,355
Accrued Liabilities	262,500	224,609
Due to Other Funds	34,532	22,138
Due to Fiduciary Funds	67,111	0
Due to Other Governments	31,421	36,204
Other Liabilities	0	747,236
Total Liabilities	$1,095,957	$2,069,542
Deferred Inflows of Resources		
Property Taxes	$1,200,000	$4,000
Fund Balance:		
Nonspendable	$297,820	$298,713
Restricted	1,911,276	2,159,417
Assigned	127,704	53,915
Unassigned	12,138,030	15,460,925
Total Fund Balance	$14,474,830	$17,972,970
Total Liabilities and Fund Balance	$16,770,787	$20,046,512

Source: Audited financial statements.

TOWN OF EAST HAMPTON

Combined Balance Sheet

General Fund - Town Outside Village

Fiscal Years Ended December 31:

	2019	2020
Assets		
Cash	$14,144,870	$14,480,379
Restricted Cash	564,523	147,772
Accounts Receivable, net	389,966	422,594
Prepaid Expenses	640,175	691,216
State and Federal Aid Receivable	17,012	238,474
Due From Other Funds	232,855	12,017
Due From Other Governments	158,698	38,442
Total Assets	$16,148,099	$16,030,894
Liabilities		
Accounts Payable	$538,005	$304,600
Accrued Liabilities	126,448	184,346
Due to Other Funds	611,686	116,525
Due to Fiduciary Funds	18,624	0
Total Liabilities	$1,294,763	$605,471
Deferred Inflows of Resources		
Property Taxes	$101,487	$7,213
Fund Balance:		
Nonspendable	$640,175	$691,216
Restricted	564,523	147,772
Assigned	13,547,151	14,579,222
Unassigned	0	0
Total Fund Balance	$14,751,849	$15,418,210
Total Liabilities and Fund Balance	$16,148,099	$16,030,894

Source: Audited financial statements

TOWN OF EAST HAMPTON

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund - Townwide

Fiscal Years Ended December 31:

	2016	2017	2018	2019	2020
Revenues					
Real Property Taxes	$19,251,964	$18,888,948	$19,421,332	$20,377,628	$20,849,494
Other Real Property Tax Items	194,195	209,596	220,341	269,685	274,044
Non-Property Taxes	1,108,013	1,139,007	1,123,071	1,100,890	1,095,866
Departmental Income	1,451,078	1,336,950	1,362,852	1,254,861	796,294
Intergovernmental Charges	16,975	31,860	21,163	21,000	22,913
Use of Money and Property	465,646	472,928	592,596	809,054	502,888
Licenses and Permits	10,527	10,256	9,747	10,432	8,525
Fines and Forfeitures	1,398,756	1,175,477	1,175,879	976,113	961,125
Sale of Property and Compensation for Loss	107,778	980,381	263,458	425,315	97,602
Miscellaneous Local Sources	526,020	604,664	666,923	1,329,815	448,612
State Aid	5,367,693	5,167,785	5,530,260	4,977,243	7,584,216
Federal Aid	140,160	228,165	152,774	133,798	630,586
Total Revenues	$30,038,805	$30,246,017	$30,540,396	$31,685,834	$33,272,165
Expenditures					
General Government Support	$10,189,305	$10,906,438	$11,430,591	$12,178,516	$11,855,381
Public Safety	1,240,503	1,337,083	2,477,396	2,714,546	1,828,286
Health	50,000	47,513	50,000	50,000	49,227
Transportation	705,755	793,645	751,032	882,107	780,579
Economic Assistance & Opportunity	1,532,884	1,580,607	1,726,345	1,783,830	1,760,563
Culture and Recreation	2,690,967	2,808,152	2,869,978	2,954,535	3,507,717
Home and Community Service	2,326,291	2,588,970	2,366,159	2,307,475	2,139,272
Employee Benefits	1,484,250	1,505,194	1,504,152	1,219,722	1,242,796
Debt Service - Principal & Interest	7,920,533	8,084,028	8,393,637	7,997,592	7,903,648
Total Expenditures	$28,140,488	$29,651,630	$31,569,290	$32,088,323	$31,067,469
Excess (Def.) of Revenues Over (Under) Expenditures	1,898,317	594,387	(1,028,894)	(402,489)	2,204,696
Other Financing Sources (Uses):					
Debt Proceeds	5,059,067	133,276	55,152	6,373,747	301,934
Payment to Refunded Bond Escrow Account	(4,827,092)	0	0	(6,083,388)	0
Operating Transfers In	855,571	1,161,852	1,284,656	1,257,477	1,409,655
Operating Transfers Out	(483,808)	(346,554)	(369,018)	(470,045)	(418,145)
Total Other Financing Sources (Uses)	603,738	948,574	970,790	1,077,791	1,293,444
Excess (Def.) of Revenues and Other Financing Sources Over Expenditures and Other Uses	2,502,055	1,542,961	(58,104)	675,302	3,498,140
Fund Balances - Beginning of Year	9,812,616	12,314,671	13,857,632	13,799,528	14,474,830
Fund Balances - End of Year	$12,314,671	$13,857,632	$13,799,528	$14,474,830	$17,972,970

Source: Audited financial statements

TOWN OF EAST HAMPTON

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund - Town Outstide Village

Fiscal Years Ended December 31:

	2016	2017	2018	2019	2020
Revenues					
Real Property Taxes	$21,133,417	$22,037,482	$22,233,729	$22,909,103	$23,966,280
Other Real Property Tax Items	85,586	87,398	138,014	138,985	141,765
Non-Property Taxes	900,917	136,867	157,888	158,698	160,673
Departmental Income	3,230,729	2,911,090	2,950,670	2,853,911	2,491,710
Intergovernmental Charges	11,478	14,615	18,522	16,720	7,498
Use of Money and Property	174,617	178,577	257,210	508,463	268,210
Fines and Forfeitures	1,308	0	0	0	5,454
Sale of Property and Compensation for Loss	81,030	86,806	59,238	318,310	586,895
State Aid	11,377	1,023,243	1,013,190	1,014,633	1,015,574
Federal Aid	38,495	59,560	27,651	63,049	247,214
Miscellaneous Local Sources	414,593	418,505	522,283	759,642	259,555
Total Revenues	$26,083,547	$26,954,143	$27,378,395	$28,741,514	$29,150,828
Expenditures					
General Government Support	$1,361,315	$1,180,782	$1,507,317	$1,365,159	$1,317,461
Public Safety	17,992,494	18,618,085	19,361,492	20,431,219	20,574,530
Home and Community Service	1,513,034	1,412,942	1,459,337	1,690,204	1,635,469
Employee Benefits	1,752,597	1,772,591	1,964,812	1,911,319	2,078,772
Debt Service - Principal & Interest	1,465,758	1,526,641	1,758,525	2,356,378	2,709,593
Total Expenditures	24,085,198	24,511,041	26,051,483	27,754,279	28,315,825
Excess (Def.) of Revenues Over (Under) Expenditures	1,998,349	2,443,102	1,326,912	987,235	835,003
Other Financing Sources (Uses):					
Debt Proceeds	23,451	64,400	76,926	454,389	31,354
Operating Transfers In	0	1,900	15,258	2,475	11,447
Operating Transfers Out	(69,332)	0	(53)	(299)	(211,443)
Total Other Financing Sources (Uses)	(45,881)	66,300	92,131	456,565	(168,642)
Excess (Def.) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,952,468	2,509,402	1,419,043	1,443,800	666,361
Fund Balances - Beginning of Year	7,427,136	9,379,604	11,889,006	13,308,049	14,751,849
Fund Balances - End of Year	$9,379,604	$11,889,006	$13,308,049	$14,751,849	$15,418,210

Source: Audited financial statements

EAST HAMPTON HOUSING AUTHORITY

Statement of Net Assets

Governmental Fund

Fiscal Years Ended December 31:

	2016	2017	2018	2019	2020
ASSETS					
Currrent Assets:					
Cash and cash equivalents	$ 599,332	$ 664,555	$ 709,798	$ 910,537	$1,027,674
Accounts receivable	3,938	11,793	11,998	10,508	24,139
Lease receivable	2,325,000	-	-	-	-
Interest receivable	25,194	-	-	-	-
Other Receivable	-	977	977	977	977
Due to related party	80,911	-	-	-	-
Prepaid expenses	15,766	34,445	19,020	23,834	24,283
Total Current Assets	3,050,141	711,770	741,793	945,856	1,077,073
Restricted Deopsits and Funded Reserves:					
Tenant Security Deposits	63,227	147,429	155,106	152,999	151,386
Replacement Reserve	172,999	222,506	239,811	210,414	227,839
Certificate of Deposit	-	-	-	250,000	259,674
Operating Reserve	59,577	679,563	682,122	435,214	437,715
Total Deposits and Reserves:	295,803	1,049,498	1,077,039	1,048,627	1,076,614
Non-Current Assets:					
Non-depreciable capital assets	6,702,613	7,233,317	7,311,717	872,375	925,700
Capital assets,					
net of accumulated deprecation	2,813,468	5,106,623	4,765,263	4,589,983	4,259,258
Investment in limited partnership	499,681	-	-	-	-
Lease receivable	-	-	-	-	-
Total Non-Current Assets	10,015,762	12,339,940	12,076,980	5,462,358	5,184,958
Deferred Outflows of Resources:					
Deferred pension expense	121,508	60,588	76,262	39,817	128,631
Deferred charges on refunding	456,114	435,184	414,253	393,322	372,391
Total Deffered Outflows	577,622	495,772	490,515	433,139	501,022
Total Assets	13,939,328	14,596,980	14,386,327	7,889,980	7,839,667
LIABILITIES					
Current Liabilities:					
Accounts Payable	2,913	24,899	25,820	24,185	17,332
Accrued interest payable	93,194	76,750	85,479	-	-
Bond anticipation note	4,006,108	4,006,124	4,004,962	-	-
Revenue bonds	2,445,000	133,518	138,518	148,518	153,518
Mortgage payable	-	90,000	97,800	101,562	105,468
Deferred Rent	2,760	1,380	-	-	-
Due to NY State Employees' Retirement System	412	445	481	520	561
Due to enterprise funds	-	-	-	-	-
Total Current Liabilities	6,550,387	4,333,116	4,353,060	274,785	276,879
Non-Current Liabilites:					
Tenant security deposits	63,528	147,729	155,407	153,350	151,632
Compensated absence	3,865	1,259	1,265	594	5,956
Revenue Bonds	4,311,656	4,174,620	4,036,102	3,887,584	3,734,066
Mortgage payable to NYSHTFC	917,422	3,474,104	3,372,126	3,270,564	3,165,096
Due to NY State Employees' Retirement System	13,506	13,061	12,580	12,060	11,499
Pension liability	112,240	62,925	25,126	57,637	196,655
Total Non-Current Liabilities	5,422,217	7,873,698	7,602,606	7,381,789	7,264,904
Deferred Inflows of Resources:					
Pension	14,918	11,596	83,152	24,448	11,596
Total Liabilites	11,987,522	12,218,410	12,038,818	7,681,022	7,553,379
NET ASSETS					
Net investment in capital assets (deficit), net of related debt	549,009	910,008	841,725	(1,552,548)	(1,600,799)
Restricted	232,546	902,069	921,933	645,628	665,554
Unrestricted	1,170,221	566,493	583,851	1,115,878	1,221,946
Total Net Assets	$1,951,776	$2,378,570	$2,347,509	$ 208,958	$ 286,701

Source: Audited Financial Statements of the Authority. Summary itself is not audited.

EAST HAMPTON HOUSING AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

Fiscal Years Ended December 31:

	2016	2017	2018	2019	2020
Revenues					
Rents and Fees	$ 658,109	$ 1,404,980	$ 1,736,442	$ 1,779,437	$ 1,705,106
Management fee	34,812	26,861	0	0	-
Agents fee	46,100	50,212	0	0	0
Contribution from local sources	36,500	296,938	85,099	36,500	36,500
Miscellaneous local sources	1,904	6,374	11,842	11,456	10,937
Total Revenues	$777,425	$1,785,365	$1,833,383	$1,827,393	$1,752,543
Operating Expenses					
Insurance	$ 85,047	$ 141,016	$ 200,524	$ 190,715	$ 209,666
Depreciation	169,541	336,687	390,179	406,186	409,576
Other Administrative Expenses	455,399	757,917	968,546	747,343	799,062
Total Operating Expenses	709,987	1,235,620	1,559,249	1,344,244	1,418,304
Operating Income	67,438	549,745	274,134	483,149	334,239
Non-Operating Revenues (Expenses)					
Loss of Sale of Property	0	0	0	(2,283,937)	0
Interest Income	18	21,351	23,820	24,971	30,718
Lease Financing Income	171,327	62,985	0	0	0
Interest Expense	(409,243)	(398,261)	(401,517)	(362,940)	(287,214)
Non-operating loss on investment in limited Partnership	4	0	0	0	0
Other	0	190,944	72,502	206	0
Total Non-Operating Revenues (Expenses)	$ (237,894)	$ (122,981)	$ (305,195)	#########	$ (256,496)
Capital Contribution	2,585,000	-	-	-	-
Change in Net Asset	$2,414,544	$426,764	($31,061)	($2,138,551)	$77,743
Excess (Def.) of Revenues Over (Under) Expenditures	1,015,319	1,908,346	2,138,578	4,449,093	2,009,039
Other Financing Sources (Uses):					
Operating transfers in	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess (Def.) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,015,319	1,908,346	2,138,578	4,449,093	2,009,039
Fund Balances - Beginning of Year, as restated	(462,738)	1,951,806	2,378,570	2,347,509	208,958
Cumulative effect of a change in accounting principle	0	0	0	0	0
Fund Balances - End of Year	$ 1,951,806	$ 2,378,570	$ 2,347,509	$ 208,958	$ 286,701

Source: Audited Financial Statements of the Authority. Summary itself is not audited.

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE TOWN FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020*

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/P31522039.pdf

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

*** Nawrocki Smith LLP, Certified Public Accountants has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE EAST HAMPTON HOUSING AUTHORITY FOR THE YEAR ENDED DECEMBER 31, 2020*

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/P21551453.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. Marks Paneth LLP has not been requested by the Authority to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

APPENDIX E

FORM OF GUARANTEE

GUARANTEE

OF

$_____ TOWN OF EAST HAMPTON HOUSING AUTHORITY

HOUSING REVENUE REFUNDING BONDS – 2021 (FEDERALLY TAXABLE)

GUARANTEE, dated as of the date of issue of the Bonds hereafter described, made pursuant to Section 95 of the New York Public Housing Law and a resolution of the Town Board of the Town of East Hampton, Suffolk County, New York (the "Town"), duly adopted pursuant thereto on October 21, 2021 by the Town Board of said Town, acting by and through its Supervisor as provided in said resolution, relating to $_____ HOUSING REVENUE REFUNDING BONDS-2021 (FEDERALLY TAXABLE), dated _____, 2021 (the "Bonds") of the Town of East Hampton Housing Authority (the "Authority").

The Town hereby irrevocably and unconditionally agrees to pay to the registered owners of the Bonds (the "Registered Owners") any payment of principal of and interest, or only interest, as the case may be, due and payable on the Bonds ("Debt Service") which shall be unpaid because of Nonpayment (as defined below) by paying, or causing to be paid, to the Fiscal Agent (as defined below) Debt Service on the Bonds in the manner described below, except in those circumstances herein described in which any payment of Debt Service will be made directly to the Registered Owners; provided, however, that in no event shall the aggregate total of all payments of Debt Service made by the Town hereunder exceed the actual amount which shall become due for the payment of Debt Service but shall be unpaid because of Nonpayment (as defined below).

The Town, in recognition of its irrevocable and unconditional agreement to pay Debt Service, hereby waives its rights to any defenses that may limit or alter its obligations under this Guarantee and agrees that the obligations of the Town under this Guarantee will not be released, reduced or discharged in the event the obligation of the Authority to pay Debt Service becomes unenforceable or upon the bankruptcy of the Authority. The Town further agrees that it will not be entitled to subrogation rights until the Bonds are paid in full.

"Nonpayment" means: (a) failure of the Authority to pay, or cause to be paid, Debt Service on the Bonds to The Bank of New York Mellon, National Association or such other fiscal agent acceptable to the Authority and the chief fiscal officer of the Town, the fiscal agent for the Bonds, appointed pursuant to the Resolution of the Authority dated _____, 2021 (the "Fiscal Agent"), at least thirty (30) days prior to the date on which Debt Service on the Bonds is due and payable (the "Debt Service Payment Date") and which payment failure by the Authority shall be continuing for two (2) Business Days (as defined below) following the date on which such payment is due from the Authority to the Fiscal Agent or (b) there occurs a repayment of any such funds to the payor as a result of the avoidance and recovery of any payment of principal of or of interest on the Bonds from the Fiscal Agent or the Registered Owners by a trustee in bankruptcy, debtor or debtor in possession, as the case may be, or any person or entity acting on their behalf, as a preferential transfer under section 547 of the title 11 of the United States Code or any successor Federal Bankruptcy law governing the avoidance of preferential transfers, pursuant to a final court order, which is not or no longer subject to appeal or rehearing.

Except in the circumstances described below, payments under this Guarantee shall be made by the Town in immediately available funds, to the Fiscal Agent, not later than two (2) Business Days (as defined below) prior to the Debt Service Payment Date to which it pertains, following receipt by the Town from the Fiscal Agent of notice in the form and given in the manner specified below (a "Notice of Nonpayment"). "Business Day" means any day other than a Saturday, Sunday or a day on which the offices of the Fiscal Agent or the Town are authorized by law to remain closed for business.

A Notice of Nonpayment:

(a) in the event of a failure by the Fiscal Agent to have received from the Authority moneys sufficient for the payment of Debt Service at least thirty (30) days prior to any Debt Service Payment date

(i) shall be mailed by express mail, next day delivery, or sent by overnight service or courier not less than twenty-five (25) days prior to the Debt Service Payment Date to which it pertains, and

(ii) shall state that the Fiscal Agent has not received from the Authority or any other source or party at least thirty (30) days prior to such Debt Service Payment Date an amount or amounts sufficient for the payment on such Debt Service Payment Date of Debt Service payable on the Bonds, or

(b) in the event that funds shall have been paid to the Fiscal Agent as provided herein for the payment of Debt Service on the Bonds on any Debt Service Payment Date, and either (x) the Fiscal Agent is precluded from making payment with such funds by actions of a trustee in bankruptcy, debtor or debtor in possession, as the case may be, or any person or entity acting on their behalf, pursuant to a final court order, which is not or no longer subject to appeal or rehearing or (y) there occurs a repayment of such funds to the payor as a result of an avoidance and recovery by any such trustee in bankruptcy, debtor or debtor in possession, as the case may be, or any person or entity acting on their behalf, pursuant to a final court order, which is not or no longer subject to appeal or rehearing of any Debt Service Payment on the Bonds from the Fiscal Agent or the Registered Owners of the Bonds

(i) shall be mailed by express mail, next day delivery, sent by overnight services or courier as soon as practicable,

(ii) shall state which of such contingencies shall have occurred, and

(iii) shall be accompanied by a duplicate original or certified copy of the order or instrument received by the Fiscal Agent barring such payment or requiring such repayment and, in the case of such repayment, by evidence satisfactory to the Town that such repayment has been made.

A Notice of Nonpayment shall, in either event, be in writing, shall be executed by a duly authorized officer or employee of the Fiscal Agent, and shall set forth (i) the Debt Service Payment Date to which such notice pertains, (ii) the aggregate amount of Debt Service to be paid on said Debt Service Payment Date, (iii) the amount, if any, received by the Fiscal Agent from the Authority or any other source with respect thereto or otherwise available therefor, and (iv) the amount to be paid by the Town hereunder.

A Notice of Nonpayment shall be deemed to be received by the Town upon delivery thereto to the Supervisor at the address set forth below if such delivery is made on a Business Day between the hours 9:00 a.m. and 4:00 p.m.; if delivery is made at any other time, then receipt shall be deemed to occur on the Business Day next following such receipt between the hours of 9:00 a.m. and 4:00 p.m.

Notices of Nonpayment and any other communications with respect to this Guarantee shall be sent separately to each of the following:

Town of East Hampton Housing Authority
316 Accabonac Road
East Hampton, New York 11937
Attention: Executive Director

Town of East Hampton
159 Pantigo Road
East Hampton, New York 11937
Attention: Supervisor

Town of East Hampton
159 Pantigo Road
East Hampton, New York 11937
Attention: Town Attorney

Town of East Hampton
159 Pantigo Road
East Hampton, New York 11937
Attention: Budget Officer

Notwithstanding the foregoing, actual notice given to the Supervisor, Town Attorney or Budget Officer, or actual knowledge of the facts and circumstances which could be the subject of a Notice of Nonpayment on the part of the Supervisor, Town Attorney or Budget Officer, shall be deemed a Notice of Nonpayment hereunder.

The Town shall not be responsible under this Guarantee for the payment on any Debt Service Payment Date of any amount exceeding the aggregate Debt Service due on the Bonds on such Debt Service Payment Date, and in no event shall the Town be responsible under this Guarantee for the payment of any amount which would cause the total amount drawn hereunder to exceed the limit hereinbefore provided.

If a Nonpayment occurs more than 123 days after the final payment on the Bonds, payments by the Town under this Guarantee shall be made directly to the Registered Owner of each Bond affected thereby. Such payments will be made by the Town not more than two (2) Business Days after delivery to the Town of a notice given in the manner set forth above for delivery of Notices of Nonpayment, setting forth details of the Nonpayment. Such notice shall be executed by each Registered Owner of each Bond or by their duly appointed agent or attorney, and shall be accompanied by evidence satisfactory to the Town that such Nonpayment has occurred, and shall specify the Debt Service Payment Date with respect to which it has occurred, the amount payable to such Registered Owner on such Debt Service Payment Date, the portion thereof which such Registered Owner has been required to repay and the amount requested to be paid by the Town hereunder on account thereof.

The obligation to make payment of principal and interest under this Guarantee is indebtedness of the Town, to which the faith and credit of the Town are pledged. This Guarantee shall remain in full force and effect until principal and interest on the Bonds has been paid in full and the Bonds are no longer outstanding. No failure to give notice to the Town, including, but not limited to, the failure to provide any Notice of Nonpayment, shall release, reduce or discharge the obligation of the Town under this Guarantee.

IN WITNESS WHEREOF, the Supervisor of the Town of East Hampton, Suffolk County, New York has signed this Guarantee as of date first above written.

_____

Peter Van Scoyoc, Supervisor

APPENDIX F

FORM OF RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE BY THE EAST HAMPTON HOUSING AUTHORITY OF ITS HOUSING REFUNDING REVENUE BONDS-2021 (FEDERALLY TAXABLE) AND THE APPROVAL AND EXECUTION OF RELATED DOCUMENTS

RECITALS

WHEREAS, the East Hampton Housing Authority, in Suffolk County, New York, is a municipal housing authority of the State of New York (the "Authority");

WHEREAS, Article 3 of the Public Housing Law (the "Act") authorizes municipal housing authorities to provide for the construction, financing and refinancing of housing and related facilities;

WHEREAS, the Authority issued its $4,300,000 Housing Refunding Revenue Bonds-2015 (Federally Taxable) (the "2015 Bonds"), of which $3,675,000 remain outstanding, to refinance bonds originally issued by the Authority to finance the cost of the acquisition by the Authority from the Town of East Hampton (the "Town") of real property located at Springs Fireplace Road, including the twenty-six apartments for affordable housing in the Town;

WHEREAS, the outstanding 2015 Bonds mature on May 1 in the years 2022 through 2038 and such 2015 Bonds maturing on or after May 1, 2024 may be optionally redeemed by the Authority at 100% of par on any May 1 or November 1, commencing May 1, 2023;

WHEREAS, based upon current interest rates, the refunding of the 2015 Bonds maturing in each of the year 2024 through 2038 (the "Refunded Bonds"), produces debt service savings for the Authority and it is desirable and in the public interest for the Authority to refund and call for early redemption the 2015 Bonds, to issue refunding revenue bonds of the Authority (the "Bonds") and to deposit proceeds of the Bonds (net of costs of issuance) in an escrow account for payment of the Refunded Bonds and to appoint an escrow agent;

WHEREAS, pursuant to the resolution adopted on October 21, 2021, the Authority authorized the issuance of the Bonds for the purpose of refunding the Refunded Bonds and delegated certain powers to the Chairman of the Authority to perform certain acts for the purpose of carrying out the contemplated transaction;

WHEREAS, on _____ __, 2021, the Authority solicited bids for the sale of the Bonds at competitive sale and upon receiving, opening, reading and considering said bids, it was ascertained and publicly announced that _____ (herein called the "Purchaser"), was the successful bidder to whom the Bonds were then awarded, with said bid of said successful bidder being the best bid received under the terms of the Notice of Sale therefor and providing the lowest true interest cost over the life of the Bonds; and

WHEREAS, it is now desired to authorize the refunding of the Refunded Bonds, the call and redemption of the Refunded Bonds on _____, the appointment of an escrow agent for the Refunded Bonds to be called for early redemption, and the issuance of the Bonds, and to approve and authorize the execution of related documents.

NOW, THEREFORE, BE IT RESOLVED by the members of the East Hampton Housing Authority (the "Authority") as follows:

Section 1. Pursuant to the Act, as amended from time to time, and in particular Section 563 thereof, there are hereby authorized to be issued by the Authority revenue bonds entitled "Housing Refunding Revenue Bonds-2021 (Federally Taxable)" in the aggregate principal amount not to exceed $_____ (herein called the "Bonds"). The Bonds are authorized for the purposes of (i) refunding the $4,300,000 Housing Revenue Refunding Bond-2015 (Federally Taxable) of the Authority, maturing in each of the years 2024 through 2038, inclusive, originally issued to refinance bonds of the Authority issued in 2008 to finance the acquisition of a low income rental housing project from the Town of East Hampton described in the recitals hereto (the "Project") and (ii) paying the costs of issuance of the Bonds. In accordance with the requirements of the Act, it has heretofore been determined that the probable life of the Project is fifty years, and that the longest maturity of the 2024 Bonds will not exceed the probable life of the Project, and such determinations are hereby confirmed and ratified. The Authority hereby finds that the final maturity of the Bonds will not extend beyond the final maturity date of the Refunded Bonds and, as a result the maximum maturity of the Bonds will not exceed the probable life of the Project.

Section 2. The Bonds shall be issued as registered Bonds each of which shall be in the principal amount of Five Thousand Dollars ($5,000) or any integral multiple thereof, shall be

dated their date of issuance, and shall mature in each of the years and bear interest as shown below:

Date of Maturity	Principal Amount	Interest Rate	Date of Maturity	Principal Amount	Interest Rate
May 1, 2022			May 1, 2031		
May 1, 2023			May 1, 2032		
May 1, 2024			May 1, 2033		
May 1, 2025			May 1, 2034		
May 1, 2026			May 1, 2035		
May 1, 2027			May 1, 2036		
May 1, 2028			May 1, 2037		
May 1, 2029			May 1, 2038		
May 1, 2030					

Interest on the Bonds shall be payable May 1, 2022, November 1, 2022 and semiannually thereafter on May 1 and November 1 in each year to maturity. The form and substance of the Preliminary Official Statement, dated _____, prepared in connection with the sale of the Bonds, with such changes as shall be satisfactory to the Chairman, is hereby ratified and approved, and the Chairman is hereby authorized to cause a final Official Statement to be prepared and delivered. The sale of the Bonds to the Purchaser pursuant to the terms set forth in the Notice of Sale for said Bonds, dated _____ is hereby approved. The Chairman shall also provide an undertaking to provide continuing disclosure in the form set forth in the Preliminary Official Statement, to enable the Purchaser to comply with the terms of Rule 15c2-12 of the United States Securities and Exchange Commission. The Bonds shall be subject to prepayment or redemption prior to maturity as described in the Official Statement.

Section 3. The Chairman of the Authority is hereby authorized to enter into a Fiscal Agent Agreement with The Bank of New York Mellon, New York, or a successor thereto (the "Fiscal Agent") as fiscal and paying agent for the Bonds. During the period such fiscal and paying agency agreement is in effect, payment of principal of and interest on the Bonds will be made to the Fiscal Agent for payment to the owners of the Bonds. During any period in which the Authority may be acting as Fiscal Agent, payment of principal of and interest on the Bonds shall be made, upon presentation and surrender at maturity, in immediately available funds constituting lawful money of the United States of America at the office of the Treasurer of the Authority, as paying agent, located at 316 Accabonac Road, East Hampton, New York 11937.

Section 4. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman, the Vice Chairman or the Treasurer of the Authority (an "Authorized Authority Officer"), and the seal of the Authority or a facsimile thereof shall be impressed, imprinted or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall be issued in the form of registered Bonds in substantially the form attached hereto as Exhibit A, with such changes therein or variations thereof as the Authorized Authority Officer executing the same may deem necessary or appropriate, as evidenced by his or her execution thereof. The Bonds shall be subject to redemption as provided therein.

Section 5. The Bonds shall be payable by the Authority solely from (i) funds of the Authority legally available for such payment and (ii) moneys provided for such payments by the Town of East Hampton (the "Town"), pursuant to the Guarantee (hereinafter defined). The Bonds are not secured by a security interest or other lien on the Project, revenues of the Project or any other property or revenues of the Authority. Neither the State of New York (the "State"), nor any other municipality or public corporation, other than the Authority and, pursuant to and only as provided for in the Guarantee (hereinafter defined), the Town, shall be liable for the payment of the principal of or interest on any of the Bonds issued hereunder, or for the performance of any obligation or agreement of the Authority, and none of the Bonds issued hereunder shall be construed to constitute an indebtedness of the State or any other municipality or public corporation, other than the Authority and, pursuant to and only as provided for in the Guarantee, the Town. The Authority has no taxing power.

Section 6. The payment of principal of and interest on the Bonds will be guaranteed by the Town pursuant to a Guarantee dated the date of issuance of the Bonds in substantially the form attached to the resolution of the Town Board of the Town of East Hampton adopted October 21, 2021 authorizing the same, with such changes therein as the Town and the Chairman or any Authorized Authority Officer shall approve (the "Guarantee").

Section 7. The Authority shall make semiannual payments to the Fiscal Agent of principal and interest on the Bonds at least thirty (30) days prior to the date on which debt service on the Bonds is due and payable, all in accordance with the terms of the Fiscal Agent

Agreement. Moneys held by the Fiscal Agent, and investment earnings thereon, shall be used and applied solely for the purpose of the payment of interest on or principal of the Bonds when due.

Section 8. Moneys held by the Fiscal Agent may be invested and reinvested by the Authority in obligations in which the Town may invest bond proceeds if and to the extent the same are at the time legal for investment of Authority funds under the Act or under other applicable law ("Investment Securities").

Investment Securities shall mature not later than the date such moneys are expected to be needed for payment of interest on or principal of the Bonds when due. For purposes of determining the amount held by the Fiscal Agent, all investment earnings shall be included and all Investment Securities shall be valued at the amortized cost of such obligations or the market value thereof, whichever is lower, inclusive of accrued interest.

Section 9. The Authority represents and warrants that:

(a) it is a corporate governmental Authority, constituting a public benefit corporation, with full power and legal right to adopt this Resolution and perform its obligations hereunder; and

(b) this Resolution has been duly and validly adopted in a manner consistent with the requirements of the Act and does not conflict with or violate the Authority's rules and regulations or any statute, rule, regulation or order applicable to the Authority or any contract or other agreement entered into by the Authority.

Section 10. Registered Bonds, upon surrender thereof at the office of the Authority, may, at the option of the registered owner thereof, and upon payment by such registered owner of such charges which the Authority may make as hereinafter provided, be exchanged for an equal aggregate principal amount of registered Bonds of the denomination of $5,000 or any integral multiple thereof (the "Authorized Denomination").

The Authority is hereby authorized to enter into an agreement with The Depository Trust Company (the "DTC") to permit the Bonds to be issued as "book entry only" securities, as

described in the attached draft Preliminary Official Statement, and accordingly the Bonds shall be registered in the name of a nominee of the DTC. Each of the registered Bonds shall be transferable at the registered owner's expense only upon the books of the Authority kept for that purpose at its office by the registered owner thereof, in person, or by the registered owner's duly authorized attorney, upon surrender of such Bond together with a written instrument of transfer satisfactory to the Authority duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor. The Authority may deem and treat the person in whose name each Bond is registered as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal of the Bond and for all other purposes.

For each exchange or transfer of a Bond, the Authority may make a charge which shall not be in excess of the amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall deliver a new Bond in the same principal amount as the Bond which was mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender at the office of the Authority of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Authority evidence satisfactory to the Authority that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority with indemnity satisfactory to the Authority, and complying with such other reasonable regulations as the Authority may prescribe and paying such expenses as the Authority may incur.

Section 11. (a) In case one or more of the following events of default under this Resolution (the "Event(s) of Default") shall have occurred and be continuing:

(1) default in the due and punctual payment of the Bonds when the same shall become due and payable, whether at maturity or otherwise; or

(2) default by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Resolution contained, which

default shall continue for a period of thirty (30) days after written notice thereof to the Authority by the registered owners of a majority in aggregate principal amount of the Bonds then outstanding; then, and in each and every such case, in accordance with the terms of this Resolution, the Bonds shall, without presentment, demand, protest, other notice of any kind or any further action, become and be immediately due and payable. This provision is subject to the condition that if, at any time after the Bonds shall have become so due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, any and all defaults under this Resolution, other than the nonpayment of Bonds which shall have become due by acceleration, shall have been remedied, then and in every such case such default may be waived and its consequences rescinded and annulled by the registered owners; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

In case the registered owners shall have proceeded to enforce any right under this Resolution and such proceedings shall have been discontinued or abandoned because of such rescission and annulment or for any other reason or shall have been determined adversely to the registered owners, then and in every such case the Authority and the registered owners of the Bonds shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies and powers of the Authority and the registered owners of the Bonds shall continue as though no such proceedings had been taken.

(b) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the registered owners of a majority in aggregate principal amount of the Bonds then outstanding may proceed to protect and enforce the rights of the registered owners of the Bonds under this Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as registered owners, being advised by counsel, shall deem most effectual to enforce any of their rights under this Resolution.

(c) During the continuance of an Event of Default, the principal of and interest on the Bonds then due shall be payable without preference or priority of principal over interest or of interest over principal, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(d) If and whenever all sums payable by the Authority under this Resolution shall either be paid by or for the account of the Authority, and all defaults under this Resolution and the Bonds shall be made good or secured to the satisfaction of the registered owners, the Authority and the registered owners shall be restored, respectively, to their former positions and rights under this Resolution. No such restoration of the Authority and the registered owners to their former positions and rights shall extend to or affect any subsequent default under this Resolution or impair any right consequent thereon. No Bonds owned by, for the account of or for the benefit of, the Authority shall be deemed entitled to share in any payment or distribution provided in this Section 11.

(e) Nothing in this Resolution or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay on the date and at the place therein expressed the principal of and interest on the Bonds to the respective registered owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any registered owner to enforce such payment of his Bond.

(f) No remedy by the terms of this Resolution conferred upon or reserved to the registered owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or existing at law, including under the Act, or in equity or by statute on or after the date of execution and delivery of this Resolution.

(g) No delay or omission of any registered owner of any Bond to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence thereto; and every power and remedy given by this Section 11 to the registered owners of the Bonds may be

exercised from time to time as often as may be deemed expedient by the registered owners of the Bonds.

(h) Prior to the Bonds becoming due and payable prior to maturity as provided in paragraph (a) hereof, the registered owners of not less than 66 2/3% in principal amount of the outstanding Bonds; or their attorneys-in-fact duly authorized, may, on behalf of the registered owners of all of the Bonds, waive any past default under this Resolution and its consequences, except a default in the payment of principal of or interest on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereto.

(i) So long as the Guarantee is in full force and effect and the Town has not defaulted on the payment of any obligation that has become due thereunder, the Town shall be treated as owning all of the outstanding Bonds for purposes of this Section 11, and the registered owners shall look to the Town under the Guarantee for payment of any amounts due on the Bonds that remain unpaid by the Authority. The Town shall be subrogated to the rights of each registered owner of the Bonds if and to the extent that such registered owner has received payment under the Guarantee of amounts due on the Bonds.

Section 12. Neither the members of the Authority nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 13. If any term or provision of this Resolution or the Bonds, or the application thereof, for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining terms or provisions, or the application thereof, in situations other than those as to which it is held invalid or enforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 14. This Resolution shall be deemed to constitute a contract between the Authority and the registered owners from time to time of the Bonds and such registered owners shall be entitled to all of the rights and remedies provided herein or otherwise permitted by law. All the covenants, promises and agreements in this Resolution shall bind and inure to the benefit of the Authority, the registered owners of the Bonds and their respective successors and assigns.

Section 15. This Resolution may not be repealed, amended or modified while any Bond is outstanding, except for such amendments which, in the opinion of bond counsel of recognized national standing, (i) do not materially adversely affect the interests of the registered owners of the Bonds, (ii) are required by existing or future laws, or (iii) are necessary to clarify any ambiguity, inconsistency or defective provision contained herein.

Section 16. If the date for making any payment on the Bonds shall be a day on which banking institutions in the State are authorized by law to remain closed, such payment may be made on the next succeeding day that is not a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date therefor, and no interest shall accrue for the period after such nominal date.

Section 17. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations.

Section 18. The officers of the Authority are, and each of them hereby is, authorized and directed to do and perform all acts and things and to execute all instruments in the name of the Authority or otherwise, as they respectively deem advisable, and to make all payments, to the end that the Authority may carry out the objects of this Resolution and its obligations under the terms of the Bonds.

Section 19. This Resolution shall take effect immediately.

EXHIBIT A

REGISTERED
NO. R-

REGISTERED
$,000

UNITED STATES OF AMERICA
STATE OF NEW YORK
COUNTY OF SUFFOLK
TOWN OF EAST HAMPTON HOUSING AUTHORITY

HOUSING REFUNDING REVENUE BONDS – 2021 (FEDERALLY TAXABLE)

MATURITY DATE	INTEREST RATE	DATE OF ORIGINAL ISSUE	CUSIP NUMBER
May 1	%	_____, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: THOUSAND DOLLARS

EAST HAMPTON HOUSING AUTHORITY (herein called the "Authority"), a body corporate and politic created by the Public Housing Law of the State of New York (the "State"), as amended from time to time, and in particular Section 563 thereof (collectively, the "Act"), acknowledges itself indebted, and for value received hereby promises to pay, to Cede & Co., the registered owner of this Bond or registered assigns, on the maturity date indicated above upon presentation and surrender of this Bond at the office of The Bank of New York Mellon, New York, New York, acting as Fiscal Agent, or a successor thereto duly appointed by the Authority, the principal sum shown above in immediately available funds constituting lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts and to pay interest on said principal sum at said office of the Authority in immediately available funds from the date hereof at the rate per annum as shown above, payable on May 1, 2022, November 1, 2022 and semiannually thereafter on May 1 and November 1 in each year to maturity until the Authority's obligation with respect to the payment of such principal sum shall be discharged whether at maturity, upon acceleration or otherwise. This Bond is subject to prepayment or redemption prior to maturity as described below.

This Bond is one of a duly authorized issue of Bonds of the Authority designated as its "Housing Refunding Revenue Bonds – 2021 (Federally Taxable)" (herein called the "Bonds"), in the aggregate principal amount of _____ ($_____) under and pursuant to the Act and resolutions of the Authority adopted on October 21, 2021 and November __, 2021 (collectively, the "Resolution"). This Bond is payable by the Authority solely from (i) funds of

the Authority legally available for such payment and (ii) moneys provided for such payments by the Town of East Hampton (the "Town"), pursuant to the Guarantee of the Town dated the date hereof. The Bonds are not secured by a security interest or other lien on the Project, revenues of the Project or any other property or revenues of the Authority. The Authority has no taxing power.

The Bonds are being issued (i) to refund the $4,300,000 Housing Revenue Refunding Bonds-2015 (Federally Taxable) of the Authority, which were originally issued to refinance bonds of the Authority issued in 2008 to acquire a low income rental housing project from the Town, consisting of 26 rental units, located in an area of the Town known as East Hampton North on Springs Fireplace Road (the "Project") and (ii) to pay the costs of issuance of the Bonds. No recourse shall be had for the payment of this Bond or for any claim based thereon or on the Resolution against any member of the Authority or officer of the Authority or any person executing this Bond. Copies of the Resolution are on file at the office of the Authority.

The Bonds maturing on or after May 1, 202_ will be subject to redemption prior to maturity on any interest payment date on or after May 1, 202_, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption. The Authority may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the Authority shall determine to be in the best interest of the Authority 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 Authority by lot in any customary manner of selection as determined by the Authority

The Bonds are subject to redemption prior to maturity at the direction of the Authority with the consent of the Town of East Hampton (the "Town"), expressed by resolution of the Town Board, upon occurrence of one or more of the following events, as a whole at any time but not in part, at a redemption price equal to 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption:

(1) The Project shall have been damaged or destroyed to the extent that, in the opinion of a professional engineer submitted to the Authority at the request of the Authority, either (i) the Project cannot be reasonably restored or repaired within a period of six months to the condition thereof immediately preceding such damage or destruction or (ii) the Authority would thereby be prevented from carrying on the normal rental operations of the Project, as it existed immediately prior to such damage or destruction, for a period of six months or more; or

(2) Title to, or the use of or possession of, all or substantially all of the Project shall have been condemned or taken under governmental authority, or a Person acting under governmental authority, for any public use or purpose to such extent that, in the opinion of a professional engineer submitted to the Authority at the request of the Authority, either (i) the Project as it existed immediately prior to such condemnation or taking cannot be reasonably restored or replaced within a period of six months to a condition of comparable usefulness to that existing prior to such condemnation or taking or (ii) the Authority would thereby be prevented

from carrying on the normal rental operations of the Project as it existed immediately prior to such condemnation or taking for a period of six months or more.

Neither the State of New York (the "State"), nor any other municipality or public corporation, other than the Authority and, pursuant to and only as provided in the Guarantee of the Town authorized by resolution of the Town dated October 21, 2021 (the "Guarantee"), shall be liable for the payment of the principal of or interest on any of the Bonds issued hereunder, or for the performance of any obligation or agreement of the Authority, and none of the Bonds issued hereunder shall be construed to constitute an indebtedness of said State or any other municipality or public corporation, other than the Authority and, pursuant to and only as provided for in the Guarantee, the Town.

The Bonds are issuable in the form of registered Bonds in the denomination of $5,000 or any integral multiple thereof ("Authorized Denomination"). The owner of any registered Bond may surrender the same at said office of the Authority, upon-payment of such charges which the Authority may make as provided in the Resolution, in exchange for an equal aggregate principal amount of registered Bonds of any Authorized Denomination.

This Bond is transferable in an Authorized Denomination at the registered owner's expense, as provided in the Resolution, only upon the books of the Authority kept for that purpose at its office by the registered owner of this Bond, in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Authority duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond in the same aggregate principal amount shall be issued to the transferee in exchange therefor.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond, exist, have happened and have been performed, and that the issue of Bonds of which this is one, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the EAST HAMPTON HOUSING AUTHORITY has caused this Bond to be duly signed in its name and on its behalf by the facsimile signature of its Chairman, and its corporate seal to be impressed, imprinted or otherwise reproduced thereon and attested by the facsimile signature of its Chairman, all as of October __, 2021.

ATTEST:

EAST HAMPTON HOUSING AUTHORITY
SUFFOLK COUNTY, NEW YORK

By:_____
Title: Secretary

By:_____
Title: Chairman

APPENDIX G

FORM OF APPROVING OPINION OF BOND COUNSEL

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

December 21, 2021

East Hampton Housing Authority
East Hampton, New York

Ladies and Gentlemen:

As Bond Counsel to the East Hampton Housing Authority (the "Authority"), a municipal housing authority and a body corporate and politic of the State of New York (the "State"), we have examined a record of proceedings relating to the issuance by the Authority of its Housing Refunding Revenue Bonds-2021 (Federally Taxable), in the aggregate principal amount of $3,690,000 (the "Bonds"). The Bonds are authorized to be issued pursuant to Article 3 and Section 563 of Article 13 of the Public Housing Law, as amended, of the State (the "Act"), Section 41 of the Act, and a resolution duly adopted by the Authority on October 21, 2021 (the "Resolution"). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Resolution.

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 Bonds are subject to redemption prior to maturity as a whole or in part, at such time or times, under such circumstances, at such redemption prices and in such manner as set forth in the Resolution.

Subject to the foregoing, we are of the following opinions:

(1) The Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, and in accordance with the Resolution, payable solely from (i) funds of the Authority legally available for such payment and (ii) moneys provided for such payments by the Town pursuant to the Guarantee. The Bonds are not secured by a security interest or other lien on the Project, revenues of the Project or revenues of the Authority. The Bonds are enforceable in accordance with their terms and the terms of the Resolution, except to the extent that the enforceability (but not the validity) of rights and remedies with respect to the Bonds and the Resolution (a) may be limited by bankruptcy, insolvency, moratorium and other laws affecting creditors' rights or remedies heretofore or hereafter enacted and (b) is subject to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(2) Interest on the Bonds is included in gross income for federal income tax purposes pursuant the Internal Revenue Code of 1986, as amended (the "Code").

(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.

We express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion after the date hereof 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. 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.

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town, subject to the limitations imposed by Chapter 97 of the Laws of 2011, as amended, together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of or interest on the Bonds under the Guarantee if and when the Town is required to do so.

We undertake no responsibility for the accuracy, completeness or fairness of any Official Statement or other offering material relating to the Bonds and we express no opinion with respect thereto. In addition, we have not examined, reviewed or passed upon the accuracy, completeness or fairness of any factual information which may have been furnished to any purchaser of the Bonds by or on behalf of the Authority or the Town and, accordingly, we express no opinion as to whether the Authority or the Town, in connection with the sale of the Bonds, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

This opinion is rendered as of the date hereof and we assume no obligation to update, revise or supplement this opinion as to the effect of any action hereafter taken or not taken, or as to any facts or circumstances or any changes in law or interpretations thereof that may hereafter arise or occur, or for any other reason.

We have examined an executed Bond and, in our opinion, the form thereof and its execution are regular and proper.

Very truly yours,

APPENDIX H

FORMS OF DISCLOSURE UNDERTAKING

APPENDIX H-1

DISCLOSURE UNDERTAKING OF THE TOWN

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

"Issuer" shall mean the East Hampton Housing Authority, a municipal housing authority 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 _____.

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

"Securities" shall mean the Issuer's **$3,690,000 Housing Refunding Revenue Bonds-2021 (Federally Taxable)**, dated December 21, 2021, maturing in various principal amounts on the dates in each year until maturity set forth in the Official Statement, dated November 30, 2021 and delivered on the date hereof.

"Town" shall mean the Town of East Hampton, in the County of Suffolk, a municipality of the State of New York.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Town 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 11021 to the EMMA System:

(i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the Annual Information relating to such fiscal year, together with audited financial statements of the Town for such fiscal year if audited financial statements

are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (30) days after they become available and in no event later than one (1) year after the end of each fiscal year; and

(ii) in a timely manner, 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 Town from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Town disseminates any such additional information, the Town shall have no obligation to update such information or include it in any future materials disseminated hereunder.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data and other information 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 in Appendix A under the headings: "THE TOWN," "FINANCIAL FACTORS," "TAX INFORMATION," "TOWN INDEBTEDNESS," "ECONOMIC AND DEMOGRAPHIC DATA" and "LITIGATION RELATING TO THE TOWN" 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 Town's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. Remedies. If the Town 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 Town and any of the officers, agents and employees of the Town, and may compel the Town 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 Town hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

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

Section 7. Amendments. Without the consent of any holders of Securities, the Town 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 Town and the assumption of any such successor of the duties of the Town hereunder;

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

(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 Town or to reflect changes in the identity, nature or status of the Town or in the business, structure or operations of the Town 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 Town shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to the their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the Town and 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 21, 2021**.

TOWN OF EAST HAMPTON

By_____

Supervisor

APPENDIX H-2

DISCLOSURE UNDERTAKING OF THE AUTHORITY

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

"Issuer" shall mean the East Hampton Housing Authority, a municipal housing authority 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 _____.

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

"Securities" shall mean the Issuer's **$3,690,000 Housing Refunding Revenue Bonds-2021 (Federally Taxable)**, dated December 21, 2021, maturing in various principal amounts on the dates in each year until maturity set forth in the Official Statement, dated November 30, 2021 and delivered on the date hereof.

"Town" shall mean the Town of East Hampton, in the County of Suffolk, a municipality of the State of New York.

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 11021 to the EMMA System:

(i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2022, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements

are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (30) days after they become available and in no event later than one (1) year after the end of each fiscal year; and

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

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

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

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

(9) defeasances;

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

(11) rating changes;

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or

government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, 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 and other information 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 headings "THE AUTHORITY" and "LITIGATION RELATING TO THE AUTHORITY" and in Appendix B.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **December 21, 2021**.

EAST HAMPTON HOUSING AUTHORITY

By_____

Chairperson