This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 20, 2026

NEW ISSUE **RATINGS: See "RATINGS" herein**
TAX ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. (See "TAX MATTERS" herein).

*The District **WILL** designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.*

MONTAUK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

$2,300,000*
TAX ANTICIPATION NOTES FOR 2026-2027 TAXES
(the "Notes")

Date of Issue: November 5, 2026 **Maturity Dates: June 25, 2027**

The Notes are general obligations of the Montauk Union Free School District, Suffolk County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, subject to certain statutory limitations. (See "*The Tax Levy Limit Law*" herein.)

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate as specified by the purchaser of the Notes. The Notes will not be subject to redemption prior to maturity.

The Notes will be issued in registered form and, at the option of the purchaser, the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company ("DTC") as book-entry notes.

If the Notes are registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "*Book-Entry-Only System*" herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) 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. It is anticipated that delivery of the Notes will be made on or about November 5, 2026, through the offices of DTC, or such place agreed to by the purchaser(s) and the District.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "*DISCLOSURE UNDERTAKING*," HEREIN.

DATED: October __, 2026

*Preliminary subject to change.

MONTAUK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

2026-27 Board of Education

Kelly White.....President

Nicholas Finazzo..... Vice President

Lee White..... Board Member

Leigh-Ann Hess ..... Board Member

Logan Erb-Damm ..... Board Member

Joshua Odom..... Superintendent of Schools

Marie Sellers ..... District Treasurer

Melissa Flaherty.....District Clerk

BOND COUNSEL

HAWKINS DELAFIELD & WOOD LLP
New York, New York

MUNICIPAL ADVISOR

CapitalMarketsAdvisors,LLC

Capital Markets Advisors, LLC
Long Island * Western New York
(516) 274-4503

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the 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 or the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District 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 District since the date hereon.

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OFFICIAL STATEMENT

MONTAUK UNION FREE SCHOOL DISTRICT
SUFFOLK COUNTY, NEW YORK

relating to

$2,300,000*
TAX ANTICIPATION NOTES FOR 2026-2027 TAXES
(the "Notes")

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Montauk Union Free School District, in Suffolk County, in the State of New York (the "District," "County," and "State," respectively), in connection with the sale of $2,300,000* Tax Anticipation Notes for 2026-2027 Taxes (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof.

The District will act as Paying Agent for any Notes issued in book-entry form. Paying agent fees, if any, for non-book-entry notes will be paid by the purchaser(s). The District's contact information is Ms. Marie Sellers, District Treasurer, telephone number (631) 668-2474 x2207, msellers@montaukschool.org.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and laws of the State, including Sections 24.00 and 39.00 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York, and a tax anticipation note resolution adopted by the Board of Education of the District to finance cash flow requirements in anticipation of the collection of 2026-2027 real property taxes levied for school purposes on all taxable real property in the District. The proceeds of the Notes may be used only for the purposes for which such taxes were or are to be levied, as specified in the 2026-2027 annual budget of the District, unless all of said purposes have been paid and satisfied, in which case the proceeds of the Notes may be used for any lawful school purpose. The proceeds of the Notes will not be used for the redemption or renewal of any outstanding tax or revenue anticipation notes.

Pursuant to Section 24.00(e) of the Local Finance Law, generally, whenever the amount of the Notes and any additional tax anticipation notes issued by the District in anticipation of the receipt of 2026-2027 real property taxes equals the amount of such taxes remaining uncollected, the District is required to set aside in a special bank account all of such uncollected taxes as thereafter collected, and to use the amounts so set aside only for the purpose of paying such Notes. Interest on the Notes will be provided from budget appropriations.

*Preliminary subject to change.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "*The Tax Levy Limit Law*" herein).

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (including the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to

enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

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

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes 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. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future, could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds or the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

DESCRIPTION OF BOOK-ENTRY SYSTEM

In the event the Notes are issued in book-entry form, the Depository Trust Company ("DTC"), Jersey City, New Jersey, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes 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 note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes 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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes 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 District, 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 District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

Source: The Depository Trust Company

RISK FACTORS

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

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

In addition, if and when a holder of any of the Notes should elect to sell a Note 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 Notes. The price or principal value of the Notes is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a note may decline causing the noteholder to potentially incur a capital loss if such note is sold prior to its maturity.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. 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 District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's economy and financial condition and other circumstances. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income

tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a note with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

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

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

Note Premium

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

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9,

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

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

Miscellaneous

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

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

LEGAL MATTERS

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

DISCLOSURE UNDERTAKING

In order to assist the purchaser(s) in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Notes, the District will execute a Certificate to Provide Notices of Events for the Notes, the form of which is attached hereto as Appendix F.

RATINGS

The District has not applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Notes.

The District's underlying credit rating by Moody's is "Aa1".

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, 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 District 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 District 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 District. 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 Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the office of the District Treasurer, Ms. Marie Sellers, (631) 668-2474 x2207, or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 274-4503.

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 District and the original purchasers or holders of any of the Notes.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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 City 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 Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

MONTAUK UNION FREE SCHOOL DISTRICT

By: _____
Kelly White
President of the Board of Education

DATED: October __, 2026

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The District is located on the eastern end of Long Island in the Town of East Hampton (the "Town"). The original land, purchased from the Montauket Indians, covered about 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 District remains a historic area despite the fact that its population quadruples during the summer season. The District encompasses a land area of 24 square miles with approximately 14 miles of waterfront on three sides. It is bordered by the Amagansett Union Free School District to the west and the Atlantic Ocean to the east and south. The population of the District is approximately 4,223 according to the U.S. Census Reporter as of 2024.

Police protection is provided to the District residents by the Town of East Hampton Police Department and fire protection is provided by local volunteer fire departments.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Under current law, an election is held within the District boundaries each year to elect members of the Board. Board members are generally elected for a term of five years.

Each year, the Board meets for the purpose of reorganization. At that time, the Board elects a President and a Vice President, and appoints a District Clerk and District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the District Treasurer.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

Budgetary Procedure

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See *"The Tax Levy Limit Law"* herein).

On May 19, 2026, a majority of the voters of the District approved the District's budget for the 2026-2027 fiscal year. Summaries of the District's Adopted Budgets for the fiscal years 2025-2026 and 2026-2027 may be found in Appendix B, hereto.

Enrollment History

The following table presents the past and projected future school enrollment for the District.

School Enrollment

Fiscal Year Ending June 30:	Actual Enrollment	Fiscal Year Ending June 30:	Projected Enrollment
2023	303	2028	280
2024	292	2029	280
2025	296	2030	280
2026	294	2031	290
2027	273	2032	290

Source: Montauk Union Free School District, Office of the District Treasurer.

District Facilities

District Facilities

Name of School	Grades	Date of Original Construction	Designed Capacity
Montauk Public School	Pre K-8[(1)]	1929	400

(1) The District pays tuition and sends students in grades 9-12 to the East Hampton Union Free School District.

Source: Montauk Union Free School District, Office of the District Treasurer.

Employees

The District provides services through 84 full-time employees, who are represented by the following units of organized labor:

Approximate Number of Employees	Union	Contract Expiration Date
49	Montauk Teacher's Association	6/30/27
11	Non-Instructional – Aides	6/30/28
6	Non-Instructional – Clerical	6/30/28
6	Custodial	6/30/29
6	Bus Drivers	6/30/27
6	Administrative (Non-Union)	N/A

Employee Pension Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System ("TRS"). Employer pension payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System ("ERS"). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

The New York State and Local Retirement System ("NYSLRS") provides pension benefits to employees of the State and its political subdivisions, including the District. Employees hired on or after January 1, 2010 and April 1, 2012 are generally members of Tier 5 and Tier 6, respectively, which provide reduced benefits and/or increased

employee contribution requirements compared to earlier tiers. In recent years, the State has enacted certain modifications to these tiers, including lowering the vesting period from 10 years to 5 years and a reduction in the Final Average Salary calculation period from five (5) years to three (3) years, which may result in increased pension benefits for affected members.

New York State recently enacted major pension changes for Tier 6 public employees as part of the State's 2026-2027 Enacted Budget. For Tier 6 public employees, these reforms improve benefits, reduce mandatory employee contributions on a sliding salary scale, lower the retirement age for teachers, and increase the cap on overtime that can be calculated into pensions. The changes that were enacted to align Tier 5 and Tier 6 benefits more closely with those available under earlier tiers. Increasing pension benefits or otherwise modifying the NYSLRS is expected to result in increased costs to the State and participating employers, including school districts, which could have an adverse effect on their financial condition.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

The employer contribution rates for required pension payments to the TRS and ERS continue to be higher than the statutory minimum contribution. To help mitigate the impact of such contributions, various forms of legislation have been enacted from time to time that permitted school districts to amortize a portion of its annual employer pension payments. The District has not amortized any of its employer pension payments pursuant to such legislation and expects to continue to pay all payments in full when due.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. As of the date of this Official Statement, the District has not yet determined whether it will establish such a fund.

Other Post Employment Benefits

The District 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 June 30, 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 District's total OPEB liability as of June 30, 2025 was $17,333,171 using a discount rate of 5.20% and actuarial assumptions and other inputs as described in the District's June 30, 2025 audited financial statements.

Should the District be required to fund the total OPEB liability, it could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the District 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 District 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 proposed 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. Under the proposals, there would be no limits on how much a local government can deposit into the trust. The District cannot predict whether such legislation will be enacted into law in the foreseeable future.

Investment Policy of the District

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

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

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

The Board of Education had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A statement of revenues and expenditures for the five-year period ending June 30, 2025 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "*Statement of Revenues, Expenditures and Changes in Fund Balance*" in Appendix B attached hereto). Property taxes accounted for 85.9% of total general fund revenues for the fiscal year ended June 30, 2025, while State aid accounted for 4.1%. Chapter 97 of the New York Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See *"The Tax Levy Limit Law"* herein).

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amounts budgeted for the two most recent fiscal years.

Property Taxes

Fiscal Year Ended June 30:	Total Revenues[1]	Real Property Taxes[2]	Real Property Taxes to Revenues
2021	$17,725,744	$16,420,034	92.6%
2022	18,624,460	16,600,250	89.1
2023	18,628,127	16,895,530	90.7
2024	22,643,294	20,117,268	88.8
2025	23,521,784	20,736,402	88.2
2026 (Adopted Budget)	24,564,115	21,074,594	85.8
2027 (Adopted Budget)	25,674,383	21,667,513	84.4

(1) General Fund.
(2) Inclusive of STAR aid payments received by the District, which are reflected in "*Other Real Property Tax Items*." The real property taxes reflected in the District's adopted budgets are also inclusive of STAR aid. (See Appendix B.)

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the school districts can be paid only if the State has such monies available for such payment.

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

State Aid

Fiscal Year Ended June 30:	Total Revenues[1]	State Aid	State Aid to Revenues
2021	$17,725,744	$889,133	5.0%
2022	18,624,460	861,806	4.6
2023	18,628,127	820,427	4.4
2024	22,643,294	1,000,327	4.4
2025	24,214,117	992,227	4.1
2026 (Adopted Budget)	24,564,115	1,031,563	4.2
2027 (Adopted Budget)	25,674,383	1,088,950	4.2

(1) General Fund.

Source: Audited Financial Statements and Adopted Budgets of the District. This summary is not audited.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (See "*STAR – School Tax Exemption*" herein).

The State's 2021-22 Enacted Budget and the State's 2022-23 Enacted Budget included significant amounts of federal funding. 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 federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision. Reductions in federal funding levels could have an a materially adverse impact on the State budget. To date, school districts have received significant funding because of the COVID-19 pandemic from federal stimulus packages and reinstatement of State Foundation Aid, however, the additional federal funding ceased after the 2023-24 fiscal year.

As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the Financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's current fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline), the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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 school districts in the State, including the District.

Should the District 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 District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Events Affecting New York School Districts

School district fiscal year (2022-2023): For the 2022-2023 school year, the State's Enacted Budget provided $31.3 billion in State funding to school districts for the 2022-23 school year the highest level of State aid ever. This represented a year-to-year funding increase of $2.1 billion or 7.07%. and included $21.4 billion of Foundation Aid which increased 8.1% from 2021-22. The 2022-23 school year increase in Foundation Aid primarily reflected the second year of the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in prekindergarten to $1.1 billion, an increase of $125 million, or 13%. The Budget also included a total of $100 million of matching funds over two years to be provided to school districts and BOCES with the highest needs to address student wellbeing and learning loss in response to the trauma brought about by the COVID-19 pandemic. This included support for extended school day or school year programs, afterschool programs, mental health professionals and other locally determined initiatives.

School district fiscal year (2023-2024): For the 2023-2024 school year, the Enacted Budget provided $34.5 billion in State funding to school districts for the 2023-24 school year the highest level of State aid ever. This represented a year-to-year funding increase of $3.1 billion or 10.00%. and included $24.1 billion of Foundation Aid which increased 12.8% from 2022-23. The 2022-23 school year increase in Foundation Aid was to complete the three-year phase-in of full funding of the current Foundation Aid formula. The Enacted Budget also increased the State's annual investment in prekindergarten to $1.2 billion, an increase of $125 million, or 9.09%. The Budget also included a total of $20 million in grant funding to support the establishment of new early college high school programs.

School district fiscal year (2024-2025): For the 2024-2025 school year, the Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): For the 2025-2026 school year, the Enacted Budget provided $37.6 billion in State funding to school districts, the highest level of State aid ever. This represented an increase of $1.7 billion or 4.9 percent compared to the 2024-25 school year and included a $1.4 billion, or 5.9 percent, Foundation Aid increase. Although recommended to be phased-out in the previously mentioned report done by the Rockefeller Institute, the State's 2025-26 Enacted Budget maintained the "save harmless" provision, which ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2025-26 Enacted Budget included a 2% minimum increase in Foundation Aid to all school districts and made a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that were to be paid on specific dates prescribed in law or regulation (such as State aid) if, on a cash basis of accounting, a "general fund imbalance" was or was expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provided that a "general fund

imbalance" had occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projected, that estimated general fund receipts and/or estimated general fund disbursements had or would have varied from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law resulting in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

School district fiscal year (2026-2027): The State's 2026-2027 Enacted Budget provides $39 billion in school aid, reflecting a $1.7 billion increase, and includes $27.4 billion in Foundation aid with a 2% minimum increase for districts. Additionally, the budget allocates a $561 million increase for Universal Pre-Kindergarten, aiming for full day instruction for all four-year-olds by the 2028-2029 school year.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the remainder of the current fiscal year or in future fiscal years. However, the District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "RISK FACTORS" herein).

Independent Audits

The District retained the firm of R.S. Abrams & Co., LLP to audit its financial statements for the fiscal year ended June 30, 2025. R.S. Abrams & Co., LLP are currently reviewing the District's financial statements for the fiscal year ended June 30, 2026 with an audit expected to be released by December 2026. Appendix B to this Official Statement presents excerpts from the District's most recent audited reports covering the last five fiscal years. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Other Revenues

In addition to property taxes and State aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

Cash Flow Projections

The cash flow summaries of the District for the 2025-2026 and 2026-2027 fiscal years, including tax anticipation borrowings and repayment thereof, are set forth in Appendix C. Such cash flow statements, with respect to future receipts and payments, are estimates only and no representation whatsoever is made that any such estimates will be realized.

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 District as "No Designation," with a Fiscal score of 6.7. The State Comptroller also designates the District as "Susceptible Environmental Stress" with an Environmental score of 35.0.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on January 23, 2023. The purpose of the audit was to determine whether the District's claims auditor ensured claims were appropriate, supported, audited and approved before payment. The complete report can be obtained from OSC's website.

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

TAX INFORMATION

Real Property Tax Assessments and Rates

The following table sets forth the assessed and full valuation of taxable real property, the District's real property tax levy and rates of tax per $1,000 assessed valuation for each of the last five fiscal years.

Real Property Tax Assessments and Rates
(Fiscal Years Ending June 30:)

	2023	2024	2025	2026	2027
Assessed Value	$ 32,773,823	$ 33,013,246	$ 33,679,500	$ 34,001,081	$ 34,283,039
Equalization Rate	0.45%	0.37%	0.35%	0.32%	0.30%
Full Value	7,283,071,777	8,922,498,919	9,622,714,286	10,625,337,812	11,427,679,666
District Levy	18,786,476	20,187,160	18,990,157	21,074,594	21,867,513
District Tax Rate[(1)]	$ 573.21	$ 611.49	$ 563.85	$ 619.67	637.85

(1) Per $1,000 Assessed Value.

Source: New York State Office of Real Property Services.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, the Tax Levy Limit Law imposes a statutory limit on the amount of real property taxes that a school district may levy. (See *"The Tax Levy Limit Law"* herein).

The Tax Levy Limit Law

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget

had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes (such as the Notes), revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Tax Collection Procedure

Property taxes for the District, together with Town and County taxes, are collected by the Town Tax receiver. Such taxes are due and payable in equal installments on December 1 and May 10, but may be paid without penalty by January 10 and May 31, respectively. The penalty added to delinquent taxes is one-twelfth the rate of interest determined by the State Commissioner of Taxation and Finance. The rate is determined each year by July 15 based on the one-year constant maturity yield index for United States Treasury securities for the quarter-year ending on the immediately preceding June 30. The rate is effective for a twelve month period commencing August 1 each year and in no event will be less than ten per centum per annum.

The District receives its full levy before the end of its fiscal year. Uncollected amounts are not segregated by the town tax receiver, and any deficiency in tax collection is the County's liability.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,000 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $65,300 for the 2016-17 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long

as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now mailed out prior to the date that school taxes are payable. The amount of the check are based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used are factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

The State's 2019-2020 Enacted Budget included changes to the STAR program. For those homeowners with incomes over $250,000, the STAR exemption benefit was capped at the 2019 fiscal year level, rather than allowed to grow by up to 2% annually under the STAR credit program. Those homeowners with incomes between $250,000 and $500,000 are able to convert to the credit program to maintain the full STAR benefit.

The State's 2020-21 Enacted Budget withholds STAR benefits to taxpayers who are delinquent in the payment of their school taxes and maintains the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

Approximately 0.34% of the District's 2025-2026 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2026. Approximately 0.28% of the District's 2026-2027 school tax levy is expected to be exempted by the STAR program and the District expects to receive full reimbursement of such exempt taxes from the State in January 2027. (See "*State Aid*" herein).

Ten Largest Taxpayers

Following is a listing of the ten largest taxpayers in the District for the 2026-2027 fiscal year.

Largest Taxpayers

Name	Nature of Business	Assessed Valuation	% of Total Assessed Valuation[1]
Gurney's Inn Resort & Spa Ltd.	Hotel	$ 323,700	0.95%
SHM Star Island LLC	Marina	129,581	0.38
Boulevard Associates, LLC	Commercial	126,487	0.37
Oceanview Terrace Hotel, LLC	Hotal	116,750	0.34
Ralph Lauren	Private	107,150	0.32
Adam Lindemann	Private	89,875	0.26
PLA D'Adet LLC	Real Estate	88,925	0.26
93 Old Montauk Owners, LLC	Private	87,875	0.26
Robert De Niro	Private	83,400	0.25
Victoria V. Carey	Private	80,625	0.24
		$1,234,368	3.63%

(1) The total assessed value of the District for the 2026-202 fiscal year is $34,283,039.

Source: Town of East Hampton Assessor's Office.

DISTRICT INDEBTEDNESS

Constitutional and Statutory Requirements

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal year 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 periods of probable usefulness of the objects or purposes determined by statute or 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 District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District 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, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District 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 District to increase its annual tax levy. (See *"Nature of the Obligation"* and *"The Tax Levy Limit Law"* herein).

Statutory Procedure

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

The Board of Education, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes, previously received by the District.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specification for such project have been approved by the Commissioner of Education of the State.

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. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ration is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is $1,062,533,781 as of October 20, 2026. This is calculated by taking 10% of the current full value of the District.

Debt Limit

Full Valuation	$11,427,679,666
Debt Limit (10% of Full Valuation)	1,142,767,966
Calculation of Net Indebtedness[1]	
Inclusions:	
Bonds:	$ 4,660,000
Bond Anticipation Notes:	0
Total Inclusions:	$ 4,660,000
Exclusions [2]:	0
Total Net Indebtedness:	4,660,000
Net Debt Contracting Margin:	$1,138,107,966
% of Debt Contracting Margin Exhausted:	0.41%

(1) Tax anticipation notes and revenue anticipation notes are not included in computation of the debt contracting margin of the District.
(2) The District does not receive State building aid for obligations used to fund such expenditures.

Bond Anticipation Notes

The District currently has no outstanding Bond Anticipation Notes.

Revenue Anticipation Notes

The District has not found it necessary to issue revenue anticipation notes in recent years.

Tax Anticipation Notes

In common with other school districts in the State, the District has found it necessary to borrow from time to time in anticipation of the receipt of its tax levy. In the past, the District has paid all notes on their due date. The following table reflects the District's tax anticipation note borrowing history for recent years.

Borrowing History

Fiscal Year Ended June 30:	Issue Date	Amount Issued	Maturity Date
2022	11/30/21	$2,000,000	06/23/22
2023	11/15/22	2,100,000	06/22/23
2024	09/27/23	4,500,000	06/21/24
2025	10/09/24	2,700,000	06/20/25
2026	10/30/25	2,500,000	06/25/26

Source: Montauk Union Free School District, Office of the District Treasurer.

Trend of Outstanding Indebtedness

The following table provides information relating to direct capital indebtedness outstanding at year end for the last five fiscal years of the District.

Direct Capital Indebtedness Outstanding

	2022	2023	2024	2025	2026[1]
Bonds:	$6,575,000	$6,230,000	$5,865,000	$5,485,000	$5,085,000
Bond Anticipation Notes:	0	0	0	0	0
Total:	$6,575,000	$6,230,000	$5,865,000	$5,485,000	$5,085,000

(1) Unaudited.

Source: Audited Financial Statements of the District. This summary is not audited.

Overlapping and Underlying Indebtedness

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

Overlapping and Underlying Indebtedness

	Net Debt Outstanding	As of:	District Share	Amount
County of Suffolk	$1,042,457,843	10/13/26	1.23%	$12,822,231
Town of East Hampton	108,477,622	07/23/25	19.74	21,413,483
Total Net Overlapping Debt:				$34,235,714
Total Net Direct Debt:				4,660,000
Total Net Direct and Overlapping Debt:				$38,895,714

Sources: Data provided by County and Town officials.

Debt Ratios

The following table sets forth certain ratios relating to the District's direct and overlapping indebtedness.

Debt Ratios

	Amount	Per Capita[1]	Full Value[2]
Total Net Direct Debt	$ 4,660,000	$1,103	0.04%
Total Net Direct Overlapping Debt	38,895,714	9,210	0.34

(1) The current estimated population of the District is 4,223.
(2) The full valuation of taxable real property in the District for 2026-2027 is $11,427,679,666.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the District's outstanding bonded indebtedness for fiscal years ending June 30.

Bond Principal and Interest Maturity Table

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2027[1]	$ 425,000	$ 156,375	$ 581,375
2028	445,000	134,625	579,625
2029	465,000	111,875	576,875
2030	490,000	90,450	580,450
2031	510,000	70,450	580,450
2032	525,000	52,375	577,375
2033	540,000	39,100	579,100
2034	550,000	28,200	578,200
2035	560,000	17,100	577,100
2036	575,000	5,750	580,750
Totals:	$5,085,000	$706,300	$5,791,300

(1) For the entire fiscal year.

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

Authorized but Unissued Debt

On December 9th, 2025, the District's residents approved a $34,870,707 bond referendum to fund District-wide renovations and reconstruction. The District has not yet issued any debt pursuant to this authorization.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Largest Employers

Largest Employers

Employers	Nature of Business	Estimated Number of Employees
Gurney's Inn	Restaurant	300
Montauk UFSD	Educational	94
Montauk Yacht Club	Recreation	75
Gosman's Dock & Restaurant	Restaurant	75
NYS Parks Department	Recreation	50

Source: District Officials.

Population

The District population is currently estimated at 4,223. The following table presents population trends for the Town, County and State, based upon recent census data. Data provided for the Town, County and State is not necessarily representative of the District.

Population Trends

	2000	2010	2020	Percentage Change 2010/2020
Town	19,719	21,457	28,385	32.3%
County	1,419,369	1,493,350	1,525,920	2.2
State	18,976,457	19,378,102	20,201,249	4.2

Source: U.S. Census Bureau.

Income

The following table presents per capita income for the Town, County and State. Data provided for the Town, County and State is not necessarily representative of the District.

Per Capita Income

	2000	2010	2020
Town	$31,300	$51,823	$69,212
County	26,577	35,411	46,466
State	23,389	30,791	40,898

Source: U.S. Census Bureau.

Employment and Unemployment

Unemployment statistics are not available for the District. The information set forth below with respect to Suffolk County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the District.

Civilian Labor Force

	2021	2022	2023	2024	2025
County	775,100	789,000	800,800	798,900	804,500
State	9,592,000	9,682,200	9,849,900	9,928,100	10,009,000

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

Annual Unemployment Rates

Year	County	State
2021	4.7%	7.1%
2022	3.2	4.3
2023	3.3	4.0
2024	3.4	4.2
2025	3.5	4.3

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

Monthly Unemployment Rates

Month	County	State
August	4.0%	4.9%
September	3.6	4.7
October	N/A	N/A
November	3.4	4.4
December	3.3	4.3
January 2026	4.0	4.7
February	4.5	5.2
March	3.9	4.4
April	3.5	4.2
May	3.6	4.2
June	3.6	4.4
July	3.9	4.2

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

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

MONTAUK UNION FREE SCHOOL DISTRICT
BUDGETED REVENUES AND EXPENDITURES
General Fund
Fiscal Year Ending June 30:

	2025-2026	2026-2027
Revenues:		
Real Property Taxes	$21,074,594	$21,667,513
Other Non Tax Revenues	847,100	1,170,375
State Sources	1,031,563	1,088,950
Appropriated Fund Balance	1,610,858	1,747,545
Total Revenues:	$24,564,115	$25,674,383
Expenditures:		
General Support	$3,104,923	$3,299,987
Instruction	13,810,392	14,252,234
Pupil Transportation	1,703,072	1,898,463
Community Services	3,000	3,000
Employee Benefits	5,137,728	5,516,324
Interfund Transfer	3,000	3,000
Debt Service	802,000	701,375
Total Expenditures:	$24,564,115	$25,674,383

Sources: Adopted Budgets for the District.

MONTAUK UNION FREE SCHOOL DISTRICT
BALANCE SHEET
General Fund
Fiscal Years Ended June 30:

	2024	2025
Assets:		
Cash	$ 7,465,648	$ 7,883,844
Restricted Cash	2,144,522	3,161,638
Accounts Receivable	14,950	8,022
Due From Other Funds	300,661	318,560
Due From Other Governments	187,799	222,058
State and Federal Aid Recievables	154,409	44,517
Prepaid Expenditures	-	-
Total Assets:	$ 10,267,989	$ 11,638,639
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	$ 206,614	$ 536,651
Accrued Liabilities	24,969	23,975
Due to Other Governments	402,002	507,647
Due to Other Funds	73,055	12,503
Due to Retirement Systems	758,373	818,006
Compensated Absences		87,794
Deferred Revenue - Overpayments and Collections in Advance		6,309
Reserve for Excess Levy	2,071,552	-
Deferred Revenue	65,952	-
Total Liabilities:	$ 3,602,517	$ 1,992,885
Fund Equity:		
Non-Spendable	$ -	$ -
Restricted	2,144,522	3,161,638
Assigned	1,720,044	1,854,004
Unassigned	2,800,906	4,630,112
Total Fund Equity	$ 6,665,472	$ 9,645,754
Total Liabilities and Fund Equity	$ 10,267,989	$ 11,638,639

Source: Audited Financial Statements for the District.
This summary is not audited.

MONTAUK UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
General Fund
Fiscal Year Ending June 30

	2021	2022	2023	2024	2025
Revenues:					
Real Property Taxes	$ 16,420,034	$ 16,600,250	$ 16,895,530	$ 20,117,268	$ 20,736,402
Other Real Property Tax Items	239,426	284,207	281,283	271,336	257,328
Charges for Services	6,702	7,794	7,216	50,410	74,187
Use of Money and Property	33,536	12,086	37,899	469,595	476,668
Miscellaneous	51,999	858,317	585,772	734,358	916,052
State Sources	889,133	861,806	820,427	1,000,327	1,061,147
Federal Sources	84,914	-	-	-	-
Total Revenues:	$ 17,725,744	$ 18,624,460	$ 18,628,127	$ 22,643,294	$ 23,521,784
Expenditures:					
General Support	$ 1,948,075	$ 2,432,213	$ 2,578,922	$ 2,364,377	$ 2,531,549
Instruction	10,942,981	11,096,943	11,364,650	11,581,397	11,562,688
Pupil Transportation	1,448,802	1,320,863	1,161,712	931,777	1,267,722
Community Services	-	2,000	3,000	3,000	3,000
Employee Benefits	3,642,038	3,353,345	4,287,434	4,220,761	4,373,025
Debt Service	20,125	734,052	769,913	878,281	793,205
Total Expenditures:	$ 18,002,021	$ 18,939,416	$ 20,165,631	$ 19,979,593	$ 20,531,189
Excess (Deficit) of Revenues Over Expenditures	(276,277)	(314,956)	(1,537,504)	2,663,701	2,990,595
Other Changes in Fund Balance					
Plus: Interfund Transfers In	24,598	48,975	109,550	53,375	-
Less: Interfund Transfers Out	(1,294,875)	(18,789)	(211,074)	(10,259)	(10,313)
Net Adjustments to Fund Balance	(1,546,554)	(284,770)	(1,639,028)	2,706,817	2,980,282
Fund Balance - Beginning of Year	$ 7,429,007	$ 5,882,453	$ 5,597,683	$ 3,958,655	$ 6,665,472
Fund Balance - End of Year	$ 5,882,453	$ 5,597,683	$ 3,958,655	$ 6,665,472	$ 9,645,754

Source: Audited Financial Statements for the District. This summary is not audited.

APPENDIX C

CASH FLOW STATEMENTS

MONTAUK UNION FREE SCHOOL DISTRICT
ACTUAL CASH FLOW
Fiscal Year July 1, 2025- June 30, 2026

MONTH	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	Jan (1-2)	JAN. (3-31)	FEB.	MAR.	APR.	MAY	JUNE	TOTAL
BALANCE (Beginning)[1]	$8,816,130	$7,188,780	$6,320,171	$4,726,032	$5,476,080	$4,358,600	$1,750,125	$1,601,381	$4,893,861	$11,548,783	$10,344,349	$8,041,800	$10,381,198	$8,816,130
RECEIPTS														
Property Taxes	$0	$0	$0	$0	$0	$0	$0	$6,200,000	$8,592,386	$0	$0	$4,050,000	$4,234,710	$23,077,096
STAR Aid	0	0	0	0	0	0	0	59,126	0	0		0	0	59,126
State Aid	162,016	42,531	252,010	348,823	84,297	0	0	0	3,270	0	0	0		892,947
Other Receipts	66,396	214,792	39,227	30,897	15,234	24,655	0	91,921	126,445	36,568	73,268	68,101	45,660	833,164
Note Proceeds - TAN's	0	0	0	2,518,678	0	0	0	0	0	0	0	0	0	2,518,678
TOTAL RECEIPTS	$228,412	$257,323	$291,237	$2,898,398	$99,531	$24,655	$0	$6,351,047	$8,722,101	$36,568	$73,268	$4,118,101	$4,280,370	$27,381,011
DISBURSEMENTS														
Salaries & Benefits	$296,256	$864,919	$1,014,223	$1,021,485	$765,991	$1,311,642	$148,744	$1,041,743	$975,757	$823,305	$1,048,315	$1,332,310	$1,858,876	$12,503,566
Other Expenses	1,065,976	261,013	631,681	887,393	427,154	1,321,488	0	1,016,824	579,489	417,697	1,327,502	446,393	830,232	9,212,842
TRS & ERS	0	0	239,472	239,472	23,866	0	0	0	0	0	0	0	0	502,810
Debt Service	493,530	0	0	0	0	0	0	83,500	0	0	0	0	0	577,030
TAN - Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000	2,500,000
TAN - Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	65,278	65,278
Public Library	0	0	0	0	0	0	0	916,500	511,933	0	0	0	0	1,428,433
TOTAL DISBURSEMENTS	1,855,762	1,125,932	1,885,376	2,148,350	1,217,011	2,633,130	148,744	3,058,567	2,067,179	1,241,002	2,375,817	1,778,703	5,254,386	26,789,959
RECEIPTS LESS DISBURSE.	(1,627,350)	(868,609)	(1,594,139)	750,048	(1,117,480)	(2,608,475)	(148,744)	3,292,480	6,654,922	(1,204,434)	(2,302,549)	2,339,398	(974,016)	591,052
BALANCE (Ending)	$7,188,780	$6,320,171	$4,726,032	$5,476,080	$4,358,600	$1,750,125	$1,601,381	$4,893,861	$11,548,783	$10,344,349	$8,041,800	$10,381,198	$9,407,182	$9,407,182
NOTE PAYMENT ACCOUNT [3]														
Balance (Beginning)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000	2,500,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000	2,500,000
Balance (Ending)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(1) Opening balance includes approximately $932,000 of restricted cash

MONTAUK UNION FREE SCHOOL DISTRICT
Anticipated Cash Flow (ACTUAL THRU AUG)
Fiscal Year July 1, 2026- June 30, 2027

MONTH	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	Jan (1-16)	JAN. (17-31)	FEB.	MAR.	APR.	MAY	JUNE	TOTAL
BALANCE (Beginning)[1]	$9,407,182	$7,035,871	$6,019,872	$5,081,417	$3,203,436	$4,025,525	$1,417,050	$577,984	$3,239,255	$9,522,557	$8,055,623	$5,953,074	$8,542,472	$9,407,182
RECEIPTS														
Property Taxes	$0	$0	$0	$0	$0	$0	$0	$4,790,417	$8,592,386	$0	$0	$4,200,000	$4,234,710	$21,817,513
STAR Aid	0	0	0	0	0	0	0	0	0	0		0	0	0
State Aid	91,027	45,155	236,761	235,645	235,645	0	0	0	44,717	100,000	100,000	0		1,088,950
Other Receipts	30,824	38,440	36,483	30,897	15,234	24,655	0	91,921	126,445	136,568	173,268	168,101	97,539	970,375
Note Proceeds - TAN's	0	0	0	0	2,300,000	0	0	0	0	0	0	0	0	2,300,000
TOTAL RECEIPTS	$121,851	$83,595	$273,244	$266,542	$2,550,879	$24,655	$0	$4,882,338	$8,763,548	$236,568	$273,268	$4,368,101	$4,332,249	$26,176,838
DISBURSEMENTS														
Salaries & Benefits	$311,413	$247,840	$763,846	$1,234,991	$1,235,816	$1,235,816	$766,191	$847,995	$1,230,991	$1,230,991	$1,230,991	$1,230,991	$2,297,970	$13,865,842
Other Expenses	1,673,249	851,754	218,862	673,887	257,329	976,236	0	910,572	324,255	10,011	1,144,826	547,712	391,138	7,979,831
TRS & ERS	0	0	228,991	235,645	235,645	421,078	0	0	0	0	0	0	0	1,121,359
Debt Service	508,500	0	0	0	0	0	72,875	0	0	0	0	0	0	581,375
TAN - Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	2,300,000	2,300,000
TAN - Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	80,500	80,500
Public Library	0	0	0	0	0	0	0	462,500	925,000	462,500	0	0	0	1,850,000
TOTAL DISBURSEMENTS	2,493,162	1,099,594	1,211,699	2,144,523	1,728,790	2,633,130	839,066	2,221,067	2,480,246	1,703,502	2,375,817	1,778,703	5,069,608	27,778,907
RECEIPTS LESS DISBURSE.	(2,371,311)	(1,015,999)	(938,455)	(1,877,981)	822,089	(2,608,475)	(839,066)	2,661,271	6,283,302	(1,466,934)	(2,102,549)	2,589,398	(737,359)	(1,602,069)
BALANCE (Ending)	$7,035,871	$6,019,872	$5,081,417	$3,203,436	$4,025,525	$1,417,050	$577,984	$3,239,255	$9,522,557	$8,055,623	$5,953,074	$8,542,472	$7,805,113	$7,805,113
NOTE PAYMENT ACCOUNT [3]														
Balance (Beginning)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Receipts	0	0	0	0	0	0	0	0	0	0	0	0	2,300,000	2,300,000
Disbursements	0	0	0	0	0	0	0	0	0	0	0	0	2,300,000	2,300,000
Balance (Ending)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(1) Opening balance includes approximately $932,000 of restricted cash

APPENDIX D

LINK TO
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025*

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/P11904742.pdf

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. R.S. Abrams & Co., LLP has not been requested by the District 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 APPROVING LEGAL OPINION OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL

November 5, 2026

The Board of Education of
Montauk Union Free School District,
in the County of Suffolk, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Montauk Union Free School District (the "School District"), in the County of Suffolk, a school district of the State of New York, and have examined the authorization, sale and issuance of the $2,300,000* Tax Anticipation Note for 2026-2027 Taxes (the "Note"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

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

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

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

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

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

Very truly yours,

APPENDIX F

FORM OF CERTIFICATE TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"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 Montauk Union Free School District, in the County of Suffolk, a school district 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.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of the date hereof.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $2,300,000 Tax Anticipation Notes for 2026-2027 Taxes, dated November 5, 2026, maturing on June 25, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (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 Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

i. principal and interest payment delinquencies;

ii. non-payment related defaults, if material;

iii. unscheduled draws on debt service reserves reflecting financial difficulties;

iv. unscheduled draws on credit enhancements reflecting financial difficulties;

v. substitution of credit or liquidity providers, or their failure to perform;

vi. 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;

vii. modifications to rights of Securities holders, if material;

viii. Bond calls, if material, and tender offers;

ix. defeasances;

x. release, substitution, or sale of property securing repayment of the Securities, if material;

xi. rating changes;

xii. 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;

xiii. 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;

xiv. appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. 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

xvi. 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.

(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. 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 4. 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 5. 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 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 5 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 6. 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 in accordance with 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.

Section 7. 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 8. 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 **November 5, 2026.**

MONTAUK UNION FREE SCHOOL DISTRICT

By_____
President of the Board of Education