

NEW and REFUNDING ISSUES

BOOK-ENTRY-ONLY SERIAL BONDS

RATINGS: See "Ratings" herein

In the opinion of Hodgson Russ LLP, of Albany, New York, Bond Counsel, under existing statutes, regulations, rulings, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Bonds is not treated as an item of tax preference for the purpose of the federal alternative minimum tax imposed on individuals. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by New York State and any political subdivision thereof (including The City of New York). See "TAX EXEMPTION" herein.

The County will NOT designate the Bonds as "qualified tax-exempt obligations" under the provisions of Code section 265.

**COUNTY OF ALBANY
NEW YORK**

\$72,793,417*

VARIOUS PURPOSES SERIAL BONDS – 2019 SERIES A

(the "Series A Bonds")

Dated: Date of Delivery

Due: September 15, 2020 to 2039

\$9,405,000*

REFUNDING SERIAL BONDS – 2019 SERIES B

(the "Series B Bonds")

Dated: Date of Delivery

Due: September 15, 2020 to 2025

\$23,560,000*

REFUNDING SERIAL BONDS – 2019 SERIES C (FORWARD DELIVERY)

(the "Series C Bonds" and together with the Series A Bonds and the Series B Bonds, the "Bonds")

Dated: Date of Delivery

Due: November 1, 2021 to 2024

The Bonds are general obligations of the County of Albany, New York (the "County"), for the payment of which the County has pledged its faith and credit. All of the taxable real property within the County is subject to the levy of ad valorem taxes without limitation as to rate or amount to pay both principal of and interest on the Bonds (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See "REAL PROPERTY TAXES – Tax Levy Limit Law").

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the Series A Bonds. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. (See "THE BONDS – Book-Entry-Only System" herein.)

The Series A Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser by competitive sale of the Series A Bonds, payable on September 15, 2020 and semi-annually thereafter on March 15 and September 15 in each year until maturity. The Series A Bonds shall mature on September 15 in the years and in the principal amounts specified on the inside cover page hereof. The Series A Bonds are subject to optional redemption prior to maturity as described herein.

The Series B Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriter of the Series B Bonds, payable on March 15, 2020, September 15, 2020 and semi-annually thereafter in each year until maturity. The Series B Bonds shall mature on September 15 in the years and in the principal amounts specified on the inside cover page hereof. The Series B Bonds are not subject to redemption prior to maturity.

The Series C Bonds (Forward Delivery) are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriter of the Series C Bonds, payable on November 1, 2020 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The Series C Bonds shall mature on November 1 in the years and in the principal amounts specified on the inside cover page hereof. The Series C Bonds are not subject to redemption prior to maturity.

The Series A Bonds are offered when, as, and if issued by the County and accepted by the purchaser, subject to the approval of the legality thereof by Hodgson Russ LLP, Albany, New York, Bond Counsel. The Series B Bonds and the Series C Bonds are offered when, as, and if issued by the County and accepted by the Underwriter of the Series B Bonds and the Series C Bonds, subject to the receipt of the respective final approving opinions of Hodgson Russ LLP, Albany, New York, Bond Counsel. Certain matters will be passed upon for the Underwriter of the Series B Bonds and the Series C Bonds by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that delivery of the Series A Bonds and the Series B Bonds in book-entry form will be made through the facilities of DTC in Jersey City, New Jersey on or about September 24, 2019. It is expected that delivery of the Series C Bonds in book-entry form will be made through the facilities of DTC in Jersey City, New Jersey on or about August 3, 2020.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE COUNTY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" AND "APPENDIX D – FORM UNDERTAKINGS TO PROVIDE CONTINUING DISCLOSURE" HEREIN.

Dated: September __, 2019

* Preliminary, subject to change.

Underwriter of the Series B Bonds and the Series C Bonds:

M&T Securities, Inc.

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

The Series A Bonds will mature on September 15 in the years and amounts as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>
2020	\$ 3,288,417	%	%	2030**	\$3,600,000	%	%
2021	3,245,000			2031**	3,655,000		
2022	3,280,000			2032**	3,720,000		
2023	3,310,000			2033**	3,780,000		
2024	3,345,000			2034**	3,850,000		
2025	3,380,000			2035**	3,920,000		
2026	3,415,000			2036**	4,000,000		
2027	3,455,000			2037**	4,080,000		
2028**	3,495,000			2038**	4,170,000		
2029**	3,545,000			2039**	4,260,000		

* Preliminary, subject to change.

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

The Series B Bonds will mature on September 15 in the years and amounts as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>
2020	\$ 1,395,000	%	%	2023	\$ 1,595,000	%	%
2021	1,440,000			2024	1,685,000		
2022	1,520,000			2025	1,770,000		

* Preliminary, subject to change.

The Series C Bonds will mature on November 1 in the years and amounts as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>
2021	\$ 5,435,000	%	%	2023	\$ 6,040,000	%	%
2022	5,730,000			2024	6,355,000		

* Preliminary, subject to change.

**COUNTY OF ALBANY
NEW YORK**

County Officials

Honorable Daniel P. McCoy County Executive
Honorable Andrew Joyce County Legislature Chairman
Honorable Michael F. Conners, II County Comptroller
Honorable Bruce A. Hidley County Clerk
Daniel Lynch, Esq. County Attorney

BOND COUNSEL

**Hodgson Russ LLP
Albany, New York**

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
*Long Island * Hudson Valley * Southern Tier * Western New York*
(516) 487-9817

No dealer, broker, salesman or other person has been authorized by the County 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 County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County 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 County since the date hereof.

The Underwriter of the Series B Bonds and the Series C Bonds has provided the following sentence for inclusion in this Official Statement. “The Underwriter of the Series B Bonds and the Series C Bonds has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.”

IN CONNECTION WITH THE OFFERING OF THE SERIES B BONDS AND THE SERIES C BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES B BONDS AND THE SERIES C BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**OFFICIAL STATEMENT
COUNTY OF ALBANY
NEW YORK**

relating to

\$72,793,417*

VARIOUS PURPOSES SERIAL BONDS – 2019 SERIES A

and

\$9,405,000*

REFUNDING SERIAL BONDS – 2019 SERIES B

and

\$23,560,000*

REFUNDING SERIAL BONDS – 2019 SERIES C (FORWARD DELIVERY)

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the County of Albany, in the State of New York (the “County” and “State,” respectively) in connection with the sale of \$72,793,417* Various Purposes Serial Bonds – 2019 Series A (the “Series A Bonds”), \$9,405,000* Refunding Serial Bonds – 2019 Series B (the “Series B Bonds”) and \$23,560,000* Refunding Serial Bonds – 2019 Series C (FORWARD DELIVERY) (the “Series C Bonds” and together with the Series A Bonds and the Series B Bonds, the “Bonds”).

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

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other information presented herein as provided by the County.

THE BONDS

Description

The Series A Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser, payable on September 15, 2020 and semi-annually thereafter on March 15 and September 15 in each year until maturity. The Series A Bonds shall mature on September 15 in the years in the principal amounts specified on the inside cover page hereof. The Series A Bonds are subject to optional redemption prior to maturity (See “Optional Redemption” herein).

The Series B Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriter, payable on March 15, 2020, September 15, 2020 and semi-annually thereafter in each year until maturity. The Series B Bonds shall mature on September 15 in the years in the principal amounts specified on the inside cover page hereof. The Series B Bonds are not subject to redemption prior to maturity.

* Preliminary, subject to change.

The Series C Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the Underwriter, payable on November 1, 2020 and semi-annually thereafter on May 1 and November 1 in each year until maturity. The Series C Bonds shall mature on November 1 in the years in the principal amounts specified on the inside cover page hereof. The Series C Bonds are not subject to redemption prior to maturity.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity of the Series A Bonds. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its participants, for subsequent disbursement to the beneficial owners of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

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

Authority for and Purpose of the Series A Bonds

The Series A Bonds are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law, the County Charter and bond resolutions duly adopted by the County Legislature on their respective dates. A portion of the proceeds from the sale of the Series A Bonds in the amount of \$37,388,690 will be used to redeem a like amount of bond anticipation notes at maturity. The balance of the proceeds from the sale of the Series A Bonds in the amount of \$35,404,727 will be used to provide original or additional original financing for the purposes described in the following table:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>New Money</u>	<u>Amount to Bonds</u>
Upgrades to Elevators and Stair Replacement at Times Union Center	12/03/18	\$ 875,000	\$ 0	\$ 875,000
Replacement of Existing Equipment at Times Union Center	12/03/18	0	597,000	597,000
Replacement of Flooring in Main Arena and Kitchen at Times Union Center	12/03/18	0	250,000	250,000
Various Capital Projects at Times Union Center	12/03/18	500,000	350,000	850,000
Lighting and Heat Projects at Times Union Center	12/03/18	0	700,000	700,000
Installation of Energy Management Systems at Vaiaorus Facilities	12/03/18	525,000	0	525,000
Various Facility Improvements in the County	12/03/18	1,250,000	500,000	1,750,000
Capital District Youth Center Reconstruction and Renovations	12/03/18	200,000	6,000,000	6,200,000
Construction of Public Safety Radio Communications Towers	12/03/18	1,043,917	0	1,043,917
Feasibility Study and Site Work for Reconstruction of Helderberg Hudson Rail Trail Bridge	12/03/18	0	150,000	150,000
Facility Improvement Projects - Dept. of Public Works	12/03/18	300,000	50,000	350,000
Construction of Water Purification, Water Delivery and Sanitary Waste Removal system at Lawson Lake County Park	12/03/18	200,000	500,000	700,000

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>New Money</u>	<u>Amount to Bonds</u>
Construction, Reconstruction, Renovation and Improvements to Albany County Nursing Home	07/09/18	\$ 4,937,273	\$ 17,062,727	\$ 22,000,000
Construction, Reconstruction, Renovation and Improvements to Albany County Nursing Home	04/12/17	18,755,000	6,245,000	25,000,000
Acquisition and Installation of Wireless Network for Times Union Center	11/13/18	374,000	0	374,000
Various Capital Projects for Times Union Center and Parking Garage	04/08/19	3,500,000	0	3,500,000
Capital Project for the Emergency 911 Communications Center	03/11/19	3,000,000	3,000,000	6,000,000
Capital Project for the County Correction Facility Switchgear Replacement	02/11/19	<u>1,928,500</u>	<u>0</u>	<u>1,928,500</u>
	Totals:	<u>\$ 37,388,690</u>	<u>\$ 35,404,727</u>	<u>\$ 72,793,417</u>

Authorization and the Refunding Plan for the Series B Bonds and the Series C Bonds

The Series B Bonds and the Series C Bonds are issued pursuant to the Constitution and Laws of the State, including, the Local Finance Law, including particularly Section 90.00 and 90.10 thereof, the County Charter and Refunding Bond Resolution No. 301 of 2019 duly adopted by the County Legislature on July 8, 2019. A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

The Series B Bonds are being issued to refund up to \$10,690,000 outstanding principal of the County’s General Obligation Serial Bonds – 2011, which mature in the years 2020 to 2025, inclusive (the “Refunded 2011 Bonds”). The Refunded 2011 Bonds were issued in the original principal amount of \$23,031,965. The Series C Bonds are being issued to refund up to \$25,315,000 outstanding principal of the County’s General Obligation Refunding Serial Bonds – 2012 Series B, which mature in the years 2021 to 2024, inclusive (the “Refunded 2012 Bonds” and together with the Refunded 2011 Bonds, the “Refunded Bonds”). The Refunded 2012 Bonds were issued in the original principal amount of \$55,910,000. Under the Refunding Plan, the Refunded 2011 Bonds are to be called and redeemed on October 24, 2019. Under the Refunding Plan, the Refunded 2012 Bonds are to be called and redeemed on November 1, 2020. The net proceeds of the Series B Bonds and the Series C Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series B Bonds and the Series C Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Series B Bonds and the Series C Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers and Traders Trust Company, (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Series B Bonds and the Series C Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of and interest on the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the County and the Escrow Contract, to pay the redemption price of the Refunded Bonds on the earliest respective dates on which the Refunded Bonds may be called for redemption prior to maturity.

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

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

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

Refunded 2011 Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
September 15, 2020	\$ 1,660,000	2.250%	October 24, 2019 @ 100%	0121224Z7
September 15, 2021	1,700,000	2.500	October 24, 2019 @ 100%	0121225A1
September 15, 2022	1,750,000	2.750	October 24, 2019 @ 100%	0121225B9
September 15, 2023	1,800,000	3.000	October 24, 2019 @ 100%	0121225C7
September 15, 2024	1,860,000	3.000	October 24, 2019 @ 100%	0121225D5
September 15, 2025	<u>1,920,000</u>	3.125	October 24, 2019 @ 100%	0121225E3
Total:	<u>\$10,690,000</u>			

Refunded 2012 Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
November 1, 2021	\$ 5,930,000	4.000%	November 1, 2020 @ 100%	0121226R3
November 1, 2022	6,190,000	4.000	November 1, 2020 @ 100%	0121226S1
November 1, 2023	6,460,000	4.000	November 1, 2020 @ 100%	0121226T9
November 1, 2024	<u>6,735,000</u>	4.000	November 1, 2020 @ 100%	0121226U6
Total:	<u>\$25,315,000</u>			

Sources and Uses of Proceeds of the Series B Bonds and the Series C Bonds

Series B Bonds: Series C Bonds: Total:

Sources:

Par Amount
Original Issue Premium

Total:

Refunding Escrow Deposits
Costs of Issuance and Contingency
Underwriter's Discount

Total:

Verification of Mathematical Computations

Causey Demgen & Moore P.C. will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds and the Series C Bonds, of the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriters' schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Causey Demgen & Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Series B Bonds and the Series C Bonds.

* Preliminary, subject to change.

OPTIONAL REDEMPTION

The Series A Bonds maturing on or before September 15, 2027 will not be subject to redemption prior to maturity. The Series A Bonds maturing on or after September 15, 2028 will be subject to redemption prior to maturity at the option of the County on any date on or after September 15, 2027, in whole or in part at par, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Series A Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Series A Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Series A Bonds of any maturity are to be redeemed prior to maturity, the particular Series A Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County. Notice of such call for redemption shall be given by transmitting such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Series A Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Series B Bonds and the Series C Bonds are not subject to redemption prior to maturity.

Nature of Obligation

Each of the Bonds when duly issued and paid for will constitute a contract between the County and the holder thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the County without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See “REAL PROPERTY TAXES – *Tax Levy Limit Law*”).

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real estate therefor.

Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity in each series of Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the

DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices with respect to the Bonds shall be sent to DTC. If less than all of the Bonds of a particular maturity are to be redeemed, DTC’s practice is to determine by lot the amount of the interest of all Direct Participants in such maturity is to be redeemed.

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

Principal and interest payments on the Bonds and, in the case of the Bonds, payments of redemption price, 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 County, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNER.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

Remedies of Bondholders on Default

Upon default in payment in full of the principal of or interest on the Bonds, a holder of such defaulted Bond has a contractual right to sue the County for the amount then due thereon. Such holder may obtain a judgment against the County with interest as provided by law from the date of default in such payment or the date of demand therefor, if later. Execution or attachment of County property cannot be obtained to satisfy the judgment. The General Municipal Law of the State provides that if the County fails to pay a final judgment for such principal and/or interest, it shall be the duty of the County Legislature to assess, levy and cause to be collected at the same time and in like manner as other moneys for expenses are then next thereafter to be assessed, levied and collected, a sum of money sufficient to pay said judgment with interest thereon. Any moneys so collected shall, from time to time, be paid to the judgment creditors.

In addition, the State Constitution provides that if the County fails to provide in its annual budget an amount sufficient to meet payment of principal of or interest on the Bonds, the County shall set aside from the first revenues thereafter received an amount necessary to pay such amounts which were required to be included in the County's annual budget. In addition, the County Comptroller may be required to set apart and apply such revenues to the payment of principal and interest on the Bonds at the suit of any holder of the Bonds. However, such right is subject to the discretionary power of the enforcing court and may be abridged by federal laws affecting creditors' rights or laws involving financial emergencies. (See "Special Provisions Affecting Remedies Upon Default.")

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against the County shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

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

Under the Federal Bankruptcy Code, a petition may be filed in Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The County has the legal capacity to file a petition under the Federal Bankruptcy Code.

It might be asserted that under the Federal Bankruptcy Code interest and principal payments made by the County in respect of its indebtedness within ninety days of the filing of a bankruptcy petition with respect to the County were voidable preferences. If these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A 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 ever been declared with respect to the County.

CERTAIN FORWARD DELIVERY CONSIDERATIONS OF THE SERIES C BONDS

Subject to the terms of the bond purchase agreement as it relates to the Series C Bonds (the "Purchase Agreement") between the County and M&T Securities, Inc., acting on its own behalf (the "Underwriter"), the County expects to issue and deliver the Series C Bonds on or about August 3, 2020 (the "Series C Closing Date"). In connection with the sale of the Series C Bonds, investors will be required to sign a forward delivery contract (each a "Forward Delivery Contract") with the Underwriter, the form of which is attached hereto as Appendix E. The County is not a party to the Forward Delivery Contract, and the County is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Purchase Agreement are not conditioned or dependent upon the performance of any Forward Delivery Contract.

The following is a description of certain provisions of the Purchase Agreement and the Forward Delivery Contract. This description is not considered a full statement of the terms of the Forward Delivery Contract and accordingly is qualified by reference thereto and is subject to the full text thereof.

Settlement of the Series C Bonds

Under the Purchase Agreement, the Underwriter is not required to purchase the Series C Bonds if, among other conditions, (1) there has been a Change in Law (as defined below), (2) legislation is enacted, or a decision by a court of the United States is rendered, or any action is taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the Series C Bonds to be registered under, or the sale thereof to be in violation of, the Securities Act of 1933, as amended or, in each case, any law analogous thereto relating to governmental bodies; (3) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed, or for any other reason, Bond Counsel cannot issue an approving opinion relating to the Series C Bonds; (4) the Official Statement contained an untrue statement of material fact or omitted to state a material fact necessary in order to make the statements contained therein not misleading; (5) the declaration of a general banking moratorium by federal or New York authorities, or the general suspension of trading on any national securities exchange; or (6) the evidence of ratings on the Series C Bonds required to be delivered by the Series C Closing Date is not delivered.

A “Change in Law” means (1)(a) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (b) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Series C Closing Date); (c) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has effective date which is on or before the Series C Closing Date); or (d) any judgment, ruling or order issued by any court or administrative body, which (2) in any such case would (a) prohibit the Underwriter from completing the underwriting of the Series C Bonds or selling the Series C Bonds, or beneficial ownership interests therein to the public, as provided in the Purchase Agreement, or (b) make the completion of the issuance, sale or delivery of the Series C Bonds illegal.

Tax Law Risk of the Series C Bonds

Subject to the additional conditions of settlement under the caption “**Settlement of the Series C Bonds**” above, the Purchase Agreement obligates the County to deliver and the Underwriter to acquire the Series C Bonds if the County delivers an opinion of Bond Counsel with respect to the Series C Bonds. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated, or interpreted that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions, or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the Series C Bonds for purpose of federal income taxation payable on “state or local bonds” the County might be able to satisfy the requirements for the delivery of the Series C Bonds. In such event, the purchasers would be required to accept delivery of the Series C Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Termination of Obligation

The Underwriter is permitted to terminate their obligations with respect to the Series C Bonds by notification to the County on or prior to the Series C Closing Date if any of the events described above in items (1) through (6) under the caption “**Settlement of the Series C Bonds**” occurs.

Additional Risks Relating to the Forward Delivery Period

Issuance and delivery of the Series C Bonds will be dependent on receipt by the County of the opinion of Bond Counsel with respect to the Series C Bonds and of certain other documents required by the Purchase Agreement, and payment of the purchase price by the Underwriter in accordance with the Purchase Agreement.

Bond Counsel could be prevented from rendering its opinion on the Series C Closing Date with respect to the Series C Bonds as a result of (1) changes or proposed changes, prior to the Series C Closing Date, in federal or State of New York laws, court decisions, regulations, or proposed regulations, or rulings of administrative agencies or (2) the failure of the County to provide closing documents, satisfactory to Bond Counsel, of the type customarily required in connection with the issuance of tax-exempt bonds.

Secondary Market Risk During Delayed Delivery Period for the Series C Bonds

The Underwriter is not obligated to make a secondary market in the Series C Bonds, and no assurances can be given that a secondary market will exist for the Series C Bonds during the period between the sale date for the Series C Bonds and the August 3, 2020 delivery date for the Series C Bonds (the "Delayed Delivery Period"). Purchasers of the Series C Bonds should assume that the Series C Bonds will be illiquid during the Delayed Delivery Period.

Market Value Risk of the Series C Bonds

The market value of the Series C Bonds as of the Series C Closing Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series C Bonds, the financial conditions and business operations of the County and federal income tax and other laws. The market value of the Series C Bonds as of the Series C Closing Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series C Bonds, and that difference could be substantial. Neither the County nor the Underwriter make any representation as to the expected market price of the Series C Bonds as of the Series C Closing Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Series C Bonds as of the Series C Closing Date or thereafter or not have a materially adverse impact on any secondary market for the Series C Bonds.

LITIGATION

Upon delivery of the Bonds, the County shall furnish a certificate of the County Comptroller dated the respective dates of delivery of the Bonds, to the effect that there is no litigation of any nature pending or to his knowledge threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of its obligations, which has not been disclosed in this Official Statement.

Existing Claims Against the County. There are pending against the County a number of claims and formal lawsuits wherein monetary damages among other relief is sought. Procedural statutes in the State prohibit Claimant's and Plaintiff's from including in their initiating papers the specific monetary damages they deem themselves entitled to. In addition, when the County is given formal notice by Claimants and/or Plaintiffs of their monetary damages, they are often extremely inflated. As a result, it is difficult for the County to provide an accurate figure as to specific monetary damages claimed. However, the majority of these claims and lawsuits are expected to be adequately covered by insurance, and thus not have a material affect on the County's financial position.

Personal Injury Actions. The County is involved in less than 50 lawsuits and administrative proceedings arising out of the operation and administration of County affairs for which exposure of \$20,000 or more has been estimated. Many of these actions involve personal injury claims, for which estimates of liability are established annually by the County Attorney, to the extent that they can be by law.

Summary. In the opinion of the County Attorney, the resolution of these lawsuits and claims will not have a material affect on the County's financial position. In the event insurance is incapable of covering the full amount of any judgments upon such claims, and the amount of any such judgment is sufficient to materially affect the financial condition of the County, the County would be able to issue bonds to finance the judgment for

a term of up to fifteen (15) years. Since the County has only used 13% of its bonding capacity as of the date of this Official Statement, the bonding of any such judgments would be well within the debt limit of the County.

IRS Review. In the course of its general review of tax-exempt bond issues, the Internal Revenue Service (the “IRS”) conducted a review of a County bond issue from 2006 (the “Prior Bonds”). The IRS indicated to the County that the Prior Bonds were randomly selected for review in connection with the IRS’s ordinary procedures. The County cooperated fully with the IRS in its review of the Prior Bonds, and the review was concluded without any material adverse impact to the County. The proceeds from the sale of the Prior Bonds were used to fund various typical County capital projects.

MARKET FACTORS

There are certain potential risks associated with an investment in the Bonds, 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 financial and economic condition of the County as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the County’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or 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 County to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

There can be no assurance that the State appropriation for State aid to municipalities and 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 County can be paid only if the State has such monies available therefor. 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 and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the County can be paid only if the State has such monies available therefor. (See “STATE AID” herein).

Should the County fail to receive monies expected from the State in the amounts and at the times expected, the County is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond will decline, causing the bondholder to incur a potential capital loss if such bond is sold prior to its maturity.

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

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, including the County, school districts, and fire districts in the State could have an impact upon operations of the County and as a result, the market price for the Bonds. (See “REAL PROPERTY TAXES – *Tax Levy Limit Law*” herein.)

TAX EXEMPTION

The Bonds

Hodgson Russ LLP, of Albany, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the County, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance of the Bonds. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Tax Requirements

In rendering the foregoing opinions, Hodgson Russ LLP will note that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the County with the applicable requirements of Code sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax certificate that will be executed and delivered by the County in connection with the issuance of the Bonds (the “Tax Certificate”) establishes the requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Bonds remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Bonds be used in a manner so that the Bonds are not obligations which meet the definition of a “private activity bond” within the meaning of Code section 141;
2. The requirements contained in Code section 148 relating to arbitrage bonds; and
3. The requirements that payment of principal or interest on the Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code section 149(b).

In the Tax Certificate, the County will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes from the date of issuance of the Bonds. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Bank Qualified

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

Other Impacts

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond before maturity within the United States. Backup withholding may apply to a holder of the Bonds under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal income tax purposes.

Future Legislation

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership of the Bonds.

New York State Taxes

In the opinion of Bond Counsel, interest on the Bonds is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous

All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the County shall furnish a certificate of the County, dated the respective dates of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the respective final approving opinions of Hodgson Russ LLP, Bond Counsel. Each such legal opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit, and all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation of rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See “REAL PROPERTY TAXES – *Tax Levy Limit Law*”). Said opinions shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the County which have been or may have furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Tax Levy Limit Law

Prior to the enactment of the Tax Levy Limit Law, all the taxable real property within the County had been subject to the levy of ad valorem taxes to pay the Bonds and interest thereon without limitation as to rate or amount; however the power of the County to levy unlimited real estate taxes on all the real property in the County may or may not be subject to the statutory limitations imposed by the Tax Levy Limit Law, depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal challenge. See “REAL PROPERTY TAXES – *Tax Levy Limit Law*” herein.

Closing Certificates

Upon the delivery of the Bonds, the Purchaser of the Series A Bonds and the Underwriter of the Series B Bonds and Series C Bonds will be furnished with the following items: (i) a Certificate of the County Comptroller to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the County since the date of this Official Statement to the date of issuance of the Bonds; (ii) a Certificate signed by an officer of the County evidencing payment for the Bonds; (iii) a Signature Certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the County nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (iv) the Tax Certificate executed by the County Comptroller, as described under “TAX EXEMPTION” herein.

DISCLOSURE UNDERTAKING

In order to assist the Purchaser of the Series A Bonds and the Underwriter of the Series B Bonds and Series C Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”) with respect to the Bonds, the County will execute an Undertaking to Provide Continuing Disclosure, the form of which is attached hereto as Appendix D.

The County has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board (“MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System (“EMMA”).

Compliance History

On August 20, 2019, the County linked its previously timely made annual financial filings on EMMA for its audited financial statements and annual financial information for the fiscal years ended December 31, 2016, 2017 and 2018 which did not correctly link to its base CUSIP 01212P.

The County previously included a table in its Official Statements from the U.S. Census for Comparative Housing Stock in the County and the State. Since this data is only updated every ten years, it has been omitted from recent Official Statements.

RATINGS

The County has applied for a rating on the Bonds from S&P Global Ratings (“S&P”). Such application is pending at this time. The County did not apply to Moody’s Investors Service (“Moody’s”) for a rating on the Bonds.

On March 29, 2018, S&P affirmed the County’s underlying credit rating of “AA” with a stable outlook on the County’s outstanding parity debt. On March 28, 2018, Moody’s affirmed the County’s underlying credit rating of “Aa3” on outstanding parity debt.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and Standard & Poor’s Corporation, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The County has selected M&T Securities, Inc. (“M&T”) as the senior manager, book-running underwriter for the Series B Bonds and the Series C Bonds.

M&T has agreed, subject to certain conditions, to purchase the Series B Bonds from the County at an aggregate purchase price of \$ _____ (which reflects an Underwriter’s discount of \$ _____ and a net original issue premium of \$ _____) and to offer the Series B Bonds at the public offering price or prices set forth on the inside cover page hereof. M&T has agreed, subject to certain conditions, to purchase the Series C Bonds from the County at an aggregate purchase price of \$ _____ (which reflects an Underwriter’s discount of \$ _____ and a net original issue premium of \$ _____) and to offer the Series C Bonds at the public offering price or prices set forth on the cover page hereof. The Series B Bonds and the Series C Bonds may be offered and sold to certain dealers (including dealers depositing such Series B Bonds or Series C Bonds into investment trusts) at lower than such public offering prices, and prices may be changed, from time to time, by the Underwriter. The Underwriter’s obligations are subject to certain conditions precedent, and they may be obligated to purchase all such Series B Bonds or Series C Bonds if any such Series B Bonds or Series C Bonds are purchased.

The Series A Bonds are to be sold at competitive sale.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck and New York, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the

Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent municipal advisor to the County 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 County 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 County. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

OTHER MATTERS

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Bonds are to be issued is the County Law and the Local Finance Law.

Prior to the respective dates of issuance of the Bonds, the County will have complied with the estoppel procedure for the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

The fiscal year of the County is January 1 to December 31.

There is no bond or note principal or interest payment past due.

This Official Statement does not include the financial data of any other political subdivision of the State of New York having power to levy taxes within the County except as expressed in "Calculation of Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained from Hon. Michael F. Conners, II, County Comptroller, (518) 447-7130, or from the County's Municipal Advisor, Capital Markets Advisors, LLC, (516) 487-9817.

The summaries and explanation in this Official Statement and its Appendices do not purport to be comprehensive and are expressly made subject to the exact provisions of the documents referred to herein and therein.

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 County and the original purchasers or holders of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the County. Execution of this Official Statement on behalf of the County is made for the sole purpose of evidencing the County's authorization of the distribution thereof.

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 County nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County 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 County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement has been prepared only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

COUNTY OF ALBANY, NEW YORK

By: _____
Michael F. Conners, II
County Comptroller

DATED: September __, 2019

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APPENDIX A

THE COUNTY

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THE COUNTY OF ALBANY

The following is a brief description of the County and certain information concerning its economy, governmental organization, indebtedness and financial practices. Certain information may require economic analysis in order to assess the importance of the facts and figures presented.

General

The County was incorporated in 1683. Situated on the west bank of the Hudson River, the County is approximately 135 miles directly north of New York City and has an area of approximately 540 square miles.

A number of the State's institutions of higher learning are located in the County, among them the State University of New York at Albany, the Junior College of Albany (a division of Russell Sage College), Albany Law School (Union University), Siena College, the College of St. Rose, Albany Medical College, Albany College of Pharmacy and three business colleges.

The County's transportation needs are served by a network of excellent highways, including the New York State Thruway, Interstate Highways 90 and 87 and a connecting link to the Massachusetts Turnpike; major bus lines; three railroads; Albany International Airport; the Hudson River; the New York State Barge Canal and the Port of Albany. The County contains three cities – Albany, Cohoes and Watervliet – and ten towns. The cities have well equipped fire and police departments and the towns are served by many individual fire districts, volunteer fire companies and town police departments. Educational services for County residents are provided by private schools, school districts and Hudson Valley Community College, which is located in a neighboring county.

Government Organization

The County is governed by the provisions of its Charter. The Charter adopted in 1973 became effective January 1, 1976. In November of 1993 Albany County adopted a new County Charter. The current County Charter differs from the previous County Charter primarily in the balance of power between the Executive and Legislative branches of government. The new charter shifted most of the administrative and day-to-day activities to the Executive branch. Further, it has created a Human Resources department and restructured the internal report hierarchy. Under the Charter, the County is a home rule municipality and functions consistently with those provisions of the State Constitution and laws uniformly applicable to all New York municipalities.

The Legislature is the governing body of the County. A chairman, selected by the legislators every two years, is the presiding officer. Legislators are elected from each of the 39 districts within the County every four years or by special election in the event of a vacancy. The Legislature has the power to establish rules and procedures for itself, adopt local laws, levy taxes and other revenue measures, adopt budgets and approve all matters relevant to the administration of County government. Meetings of the Legislature are held on a monthly basis and are open to the public.

The County Executive is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to the number of terms, and is charged with supervision of all departments of County government, subject to the provisions of the Charter. The Executive reports annually to the Legislature on the activities of all administrative units, recommends an annual budget, recommends for appointment the head of every department and administrative units of government and executes contracts. The financial affairs of the County are administered by two officers: The Commissioner of Management and Budget and the Comptroller. The Commissioner of Management and Budget, who is appointed by the County Executive and confirmed by the Legislature, assists the Executive in the preparation of the operating and capital budgets and in the study of administrative efficiency and economy, collects taxes and other revenues, and invests County funds.

The Comptroller is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to number of terms, and is the chief fiscal officer of the County. Under the Comptroller's

direction, the Department of Audit and Control obtains and audits all records relating to the use or deposit of County funds and submits annual reports to the Legislature. The Comptroller recommends and the Legislature authorizes issuance of County debt.

The County’s fiscal year for budget and accounting purposes is January 1st to December 31st. Its final budget, approved by the Executive and authorized by the Legislature, must make adequate provision for the servicing of debt and must not provide for an excess of expenditures over anticipated revenues. Included as part of each budget is a five-year capital improvement program. This plan is prepared by the County Executive and approved by the Legislature.

There are a total of twenty County administrative departments – Aging; Civil Service; Children, Youth and Families; Consumer Affairs; Economic Development; Conservation and Planning; Elections; General Services; Health; Human Resources; Law; Management and Budget; Mental Health; Probation; Public Defender; Public Works; Rape Crisis Center; Residential Health Care Facilities; Social Services and the Veterans Bureau. The District Attorney, County Clerk, Sheriff, Comptroller and four County Coroners are elected by general election. Candidates for other positions are proposed by the County Executive and appointed by the Legislature with the exception of the Board of Election Commissioners who are appointed solely by the Legislature.

Population

The County has a population of 304,204 as established by the U.S. Department of Commerce in the 2010 Census, of that total 97,856 live in the City of Albany, which is the County seat and State Capital. The following table presents population trends of the County, the Albany Standard Metropolitan Statistical Area (the “SMSA” consists of the five counties of Albany, Montgomery, Rensselaer, Saratoga and Schenectady), the State and the United States since 1980.

Population Trend

	Albany County	Albany SMSA	New York State	United States
	<u>Population</u>	<u>Population</u>	<u>Population</u>	<u>Population</u>
1980	285,909	795,019	17,558,072	226,504,825
1990	292,793	861,623	17,990,778	248,709,873
2000	294,565	875,583	18,976,457	281,421,906
2010	304,204	888,186	19,378,102	308,745,538
2015	309,381	881,830	19,795,791	321,418,105
2017	308,580	886,188	19,542,209	327,167,434

Data for 1980, 1990, 2000 and 2010 are compiled by the U.S. Department of Commerce as of April 1 of each year based on the census for that year.

Source: United States Department of Commerce, Bureau of the Census; American Community Survey

Economy

The economy of the County is diversified, with significant activity in the areas of industry, commerce and government. There are several banks and trust companies, some of which provide complete branch banking services throughout the County. Industrial establishments are engaged in such diverse operations as paper making, printing and the manufacture of clothing, automobile accessories, chemical products, pharmaceuticals and machine tools. The County also includes many retail stores, wholesale establishments and many shopping centers and several regional shopping malls.

As the State Capital, Government is an especially important factor in the County. Federal, State and local governments provide employment for thousands of people and the State is the largest employer in the County.

Employment

A major portion of non-agricultural workers have historically been employed by Federal, State or local government. The following tables present certain economic and demographic information for the County and the Albany-Schenectady-Troy Standard Metropolitan Statistical Area (SMSA).

Per Capita Income

	<u>2010</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Albany County	\$46,596	\$56,692	\$60,904	\$58,048
Albany-Schenectady-Troy SMSA	44,582	52,899	53,727	55,848
United States	30,011	48,112	49,246	51,460

Source: U.S. Bureau of Census and US Department of Commerce, Bureau of Economic Analysis 5 year American Community Surveys

Income of Families - 2017

	Less than <u>\$25,000</u>	\$25,000 - <u>49,999</u>	\$50,000 - <u>74,999</u>	\$75,000 - <u>149,000</u>	\$150,000 or More
Albany County	19.4%	21.0%	17.7%	28.4%	13.4%

Source: U.S. Bureau of Census, 5 year American Community Survey

Median Family Income

	<u>2010</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Albany County	\$56,090	\$59,887	\$60,904	\$62,293
New York State	54,148	59,269	60,741	62,765

Source: U.S. Bureau of Census, 5 year American Community Surveys

Civilian Labor Force

	(000s)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Albany County	158.1	158.9	158.8	160.0	158.8
Albany-Schenectady-Troy SMSA	447.2	448.6	448.0	452.0	450.3
New York State	9,591.3	9,644.6	9,668.7	9,704.7	9,574.7

Source: New York State Department of Labor

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Selected Listing of Major Employers

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
State of New York	Government	51,800
St. Peter's Health Care Services	Health Care	12,130
Albany Medical Center	Health Care	8,652
United States of America	Government	7,901
University at Albany	Education	4,700
Verizon	Telecommunications	3,000
Center for Disability Services	Health Care	2,651
County of Albany	Government	2,448
Albany School District	Education	1,600
Empire Blue Cross	Health Insurance	1,600
City of Albany	Government	1,488

Sources: Capital District Business Review and the Capital District Regional Planning Group

Annual Unemployment Rate Statistics

	<u>Albany County</u>	<u>Albany-Schenectady Troy SMSA</u>	<u>New York State</u>
2014	4.9%	5.1%	6.3%
2015	4.3	4.5	5.3
2016	4.1	4.1	4.9
2017	4.2	4.3	4.7
2018	3.7	3.8	4.1

Source: New York State Department of Labor (Note: Figures not seasonally adjusted)

Monthly Unemployment Rate Statistics

	<u>Albany County</u>	<u>Albany-Schenectady-Troy MSA</u>	<u>New York State</u>
July 2018	3.7%	3.7%	4.2%
August	3.5	3.5	4.0
September	3.3	3.3	3.6
October	3.1	3.2	3.6
November	3.1	3.1	3.5
December	3.3	3.5	3.9
January 2019	3.8	4.0	4.6
February	3.7	3.9	4.4
March	3.6	3.7	4.1
April	3.1	3.2	3.6
May	3.2	3.2	3.8
June	3.3	3.2	3.8

Source: New York State Department of Labor (Note: Figures not seasonally adjusted)

COUNTY INDEBTEDNESS AND DEBT LIMITATIONS

Constitutional Provisions

Limitations on indebtedness are found in Article VIII of the State Constitution and are implemented by the Local Finance Law. The provisions of Article VIII referred to in the following summaries are generally applicable to the County and the obligations authorized by its County Legislature.

Article VIII, Section 1

Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation, association or private undertaking nor shall the County give or loan its credit to or in aid of any of the foregoing or a public corporation, except for the purpose of joint municipal indebtedness and care of the needy.

Article VIII, Section 2

The County shall not contract indebtedness except for a County purpose and no such indebtedness shall be contracted for longer than the period of probable usefulness of the purpose for which it is contracted and in no event may this period exceed forty years. The County must pledge its faith and credit for the payment of the principal and the interest on any of its indebtedness. Except for certain short-term indebtedness contracted in anticipation of the collection of taxes and indebtedness to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, all indebtedness shall be paid in annual installments. Indebtedness must be paid in annual installments commencing not more than two years after the debt was contracted. Provision shall be made annually by appropriation by the County for the payment of interest on all indebtedness and for the amounts required for the amortization and redemption of serial bonds.

Article VIII, Section 4

The County shall not contract indebtedness which, including existing indebtedness, shall exceed 7% of the five year average full valuation of taxable real estate therein. The average full valuation of taxable real estate of the County is determined pursuant to Article VIII Section 10 of the Constitution by taking the assessed valuations of taxable real estate on the last completed assessment roll and the four preceding rolls and applying to such rolls, the ratio as determined by the State Tax Commission or such other State agency or official as the State Legislature shall direct which such assessed valuation bears to the full valuation. Article VIII Section 5 and Article VIII Section 2-a enumerate exclusions and deductions from the Constitutional debt limit.

Statutory Provisions

Title 8 of the Local Finance Law contains the statutory limitations on the power to contract indebtedness. Section 104.00 limits, in accordance with Article VIII Section 4 of the Constitution, the ability to contract indebtedness by the County to 7% of the five year average full valuation. The statutory provisions implementing constitutional provisions authorizing deductions and excluding indebtedness from the debt limits are found in Title 9 and Title 10 of the Local Finance Law. In addition to the constitutionally enumerated exclusions and deductions, deductions are allowed for cash or appropriations for debt service pursuant to the authority of a decision of the New York Court of Appeals.

Debt Limit

Computation of Debt Limit

Fiscal Year Ending <u>December 31:</u>	Full <u>Valuation</u>
2015	\$23,355,554,809
2016	23,856,807,738
2017	25,192,260,694
2018	26,035,931,645
2019	<u>26,056,527,362</u>
Total Five Year Full Valuation	\$124,497,082,248
Average Five Year Valuation	<u>24,899,416,450</u>
Debt Limit - 7% of Average Full Valuation	<u>\$ 1,742,959,152</u>

Outstanding Indebtedness

Calculation of Total Net Indebtedness

(As of August 20, 2019)

Five Year Average Full Valuation of Taxable Real Property		\$24,899,416,450
Debt Limit (7% Thereof)		1,742,959,152
Outstanding Indebtedness:		
Bonds	\$274,275,000	
Bond Anticipation Notes	37,388,690	
Tax Anticipation Notes	<u>0</u>	
Outstanding Gross Indebtedness		311,663,690
Less Exclusions:		
Environmental Facilities Corporation (Bonds)	\$ 5,100,000	
2019 Budgeted Principal Appropriations (remaining)	<u>13,719,563</u>	
Total Exclusions		<u>18,819,563</u>
Total Net Indebtedness		<u>\$ 292,844,127</u>
Percent of Debt Limit Exhausted		<u>16.80%</u>
Debt Contracting Margin		<u>\$ 1,450,115,025</u>

There is no constitutional limitation on the amount that may be raised by the County by taxes on real estate in any fiscal year to pay interest and principal on all indebtedness.

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

Trend of Outstanding Debt

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽¹⁾</u>
<u>Subject to Debt Limit:</u>					
Bonds	\$201,715,224	\$194,785,011	\$173,570,001	\$155,560,001	\$278,560,000
Bond Anticipation Notes	27,874,771	56,961,971	102,023,089	134,279,450	0
Other Notes	0	0	0	0	0
<u>Not Subject to Debt Limit</u>					
Bonds	16,270,000	6,729,853	6,224,853	5,749,853	5,265,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$245,589,995</u>	<u>\$258,476,836</u>	<u>\$281,817,943</u>	<u>\$295,589,304</u>	<u>\$283,825,000</u>

(1) Unaudited.

Tax and Revenue Anticipation Notes

The County has no tax or revenue anticipation notes outstanding.

Bond Anticipation Notes

On June 6, 2019, the County issued \$37,388,690 Public Improvement Bond Anticipation Notes – 2019 Series A which mature on November 21, 2019. A portion of the proceeds from the sale of the Series A Bonds will be used to redeem these notes at maturity.

Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the County’s outstanding general obligation bonded indebtedness, exclusive of the Bonds, refunded bonds and debt issued through the New York State Environmental Facilities Corporation.

Schedule of Debt Service Requirements on Outstanding Bonds

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>December 31:</u>			
2019 ⁽¹⁾	\$ 27,885,085	\$ 11,093,933	\$ 38,979,018
2020	28,635,000	8,497,096	37,132,096
2021	29,545,000	7,580,163	37,125,163
2022	32,755,000	6,661,295	39,416,295
2023	33,845,000	5,591,679	39,436,679
2024	34,905,000	4,565,041	39,470,041
2025	28,980,000	3,484,480	32,464,480
2026	27,855,000	2,613,353	30,468,353
2027	25,570,000	1,786,840	27,356,840
2028	22,615,000	974,096	23,589,096
2029	<u>15,600,000</u>	<u>234,780</u>	<u>15,834,780</u>
TOTAL	<u>\$308,190,085</u>	<u>\$53,082,754</u>	<u>\$361,272,841</u>

(1) For the entire fiscal year.

Estimated Overlapping Indebtedness

In addition to the County, the following municipal subdivisions located within the County have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Estimated indebtedness is listed as of the close of the last available fiscal year of the respective municipalities and districts.

Gross Direct Indebtedness	\$ 311,663,690
Exclusions and Deductions	<u>18,819,563</u>
Net Direct Indebtedness	<u>\$ 292,844,127</u>

Overlapping Debt:

	<u>Applicable Total Indebtedness</u>	<u>Applicable Exclusions</u>	<u>Applicable Net Indebtedness</u>
Cities	\$124,063,366	\$ 31,373,800	\$ 92,689,566
Towns	160,476,260	60,099,834	100,376,426
Villages	12,331,697	6,306,697	6,025,000
School Districts	387,747,098	0	387,747,098
Fire Districts	23,626,677	378,564	<u>23,248,113</u>
Total Net Overlapping Debt			610,086,203
Total Net Direct Debt			<u>292,844,127</u>
Total Net Direct and Overlapping Debt			<u>\$902,930,330</u>

Source: Annual Reports of the respective units on file with the Office of the New York State Comptroller. This data is for the underlying jurisdictions' 2017 fiscal years.

Debt Ratios

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

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 292,844,127	\$949	1.12%
Net Direct and Overlapping Debt	902,930,330	2,926	3.47

(1) The population of the County is 308,580 according to the 2013-2017 American Community Survey 5- year estimates.

(2) The full value of real property located in the County for the 2019 fiscal year is \$26,056,527,362.

Authorized but Unissued Debt

The County formulates a five year capital budget as part of its annual budgetary process. The County Executive and County Legislature determine what projects will be completed. Financing of such projects is through long and short-term borrowings, operating funds and Federal and State assistance. As of August 20, 2019, the County has \$47,451,144 in authorized but unissued debt, excluding authorizations for the Bonds.

FINANCIAL INFORMATION

Accounting Practices

Under State law a uniform system of accounting and reporting is prescribed by the State Comptroller for all municipalities. An annual financial report for every municipality must be filed with the State Comptroller by May 1 of the following year of a municipality's fiscal year end. This report is categorized by fund and shows as of year end (a) a balance sheet, (b) a statement of revenues, (c) a statement of expenditures, (d) an analysis of fund balances, (e) a statement of indebtedness and (f) any other particular fund data that is required.

Budgetary appropriations are necessary for all payments. Encumbrance accounting is utilized to guard against the creation of liabilities in excess of appropriations.

The County annually retains independent certified public accountants to conduct an audit of its financial statements.

Financial Statements

The County retains Bollam, Sheedy, Torani & Co. as independent Certified Public Accountants. The financial affairs of the County are also subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the County has complied with the requirements of various State and Federal statutes.

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

Investment Policy

The Albany County Legislature's responsibility for administration of the investment program is delegated to the Commissioner of Management and Budget, as chief investment officer, as derived from Article 5 (Section 502-c) of the County Charter. The chief investment officer shall establish written procedures which shall include the operation of the investment program consistent with these investment guidelines.

The chief investment officer shall be guided in his implementation of the investment policy by an Investment Advisory Board. The Investment Advisory Board shall consist of six members, three of which shall be appointed by the County Executive, one of which shall be appointed by the County Comptroller, one of which shall be appointed by the Majority Leader of the County Legislature and one of which shall be appointed by the Minority Leader of the County Legislature. The chief investment officer and the Investment Advisory Board shall meet no less frequently than quarterly and will review the performance of the County's investment program. The Board will report to the County Executive no less than annually on such performance. The Investment Advisory Board will also be responsible for reviewing any proposed changes to this policy and recommending to the County Executive, no less than annually, any amendments which it feels the County Executive should submit to the County Legislature for its consideration.

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000.00 and at least five years of operation). These may include "primary" dealers of regional dealers that qualify under the Securities and Exchange commission Rule 15c3-1 (uniform net capital rule). An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the chief investment officer.

From time to time, the chief investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria, except in terms of conflicts of interest, may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and will be constants with New York State and applicable local law. These types of investment purchases will be approved in advance by the Albany County Legislature.

As authorized by the General Municipal Law (“GML”), the Albany County Legislature authorizes the chief investment officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments: (a) Special time deposit accounts; (b) Certificates of deposit; (c) Obligations of the United States of America; (d) 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; (e) Obligations of the State of New York; (f) Obligations issued pursuant to LFL S24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than Albany County; (g) Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; (h) Certifications of Participation (COPs) issued pursuant to GML, Section 109-b; (i) Obligations of Albany County, but only with any moneys in a reserve fund established pursuant to GML, Section 6-c, 6-d, 6-e, 6-g, 6-h, 6-i, 6-j, 6-k, 6-m, or 6-n; or (j) Any other investment authorized by the General Municipal Law.

Revenues

The County derives a significant portion of its general fund revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balances” in Appendix B, herein).

Real Property Tax

The following table sets forth total general fund revenues and Real Property Tax revenues during the last five audited fiscal years, the most recent unaudited fiscal year and amount budgeted for the current fiscal year.

Property Taxes

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues⁽¹⁾</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2013	\$517,884,622	\$86,556,964	16.71%
2014	525,137,116	88,053,356	16.77
2015	533,526,749	81,461,326	15.27
2016	551,311,329	88,506,698	16.05
2017	551,446,806	88,098,624	15.98
2018 (Unaudited)	571,229,612	89,250,843	15.62
2019 (Adopted Budget)	607,658,999	89,842,544	14.79

(1) General Fund

Source: Audited and Unaudited Financial Statements, Adopted Budget of the County.
Summary itself is not audited.

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Sales and Use Taxes

The following table sets forth total general fund revenues and Sales and Use Tax revenues during the last five audited fiscal years, the most recent unaudited fiscal year and amount budgeted for the current fiscal year.

	<u>Sales and Use Tax Revenue</u>		
<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Total</u> <u>Revenues⁽¹⁾</u>	<u>Sales & Use Tax</u>	<u>Sales & Use Tax</u> <u>To Revenues</u>
2013	\$517,884,622	\$240,274,633	46.40%
2014	525,137,116	247,401,723	47.11
2015	533,526,749	256,720,212	48.12
2016	551,311,329	259,776,999	47.12
2017	551,446,806	270,220,622	49.00
2018 (Unaudited)	571,229,612	275,709,006	48.27
2019 (Adopted Budget)	607,658,999	280,578,929	46.17

(1) General Fund

Source: Audited and Unaudited Financial Statements, Adopted Budget of the County.
Summary itself is not audited.

State and Federal Aid

For the fiscal year 2018, based on preliminary, unaudited results, \$58,148,318 in State monies were received by the County, amounting to approximately 10.18% of total County General Fund Revenues.

Federal aid also constitutes a significant portion of County General Fund Revenues. Federal aid for 2018 fiscal year was \$73,210,286 amounting to approximately 12.82% of County General Fund Revenues. The tables in Appendix B present a consolidated statement of revenues, expenses and fund balances of the General and Special Revenue funds for the fiscal years ended December 31, 2012 through 2016.

Other Post Employment Benefits

Accounting rule, GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”) has been replaced by GASB Statement No. 75 (“GASB 75”), which requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 75, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements. There is no longer an amortized liability like under GASB 45, but now reflects the full liability.

GASB 75 does not require that the unfunded liabilities actually be funded, only that the County account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the County.

The County is in compliance with the requirements of GASB 75 as was required by the end of the County's 2018 fiscal year. It has been determined that the County's actuarial accrued liability ("AAL") for OPEB as of December 31, 2018 was approximately \$525,971,830.

Employees

The County provides services through approximately 2,448 full and part-time employees, some of whom are represented by the labor unions listed below. County employees are represented by eight labor organizations and labor relations between the County and the eight labor organizations have been reasonable and amicable.

<u>Labor Unit</u>	<u>Approximate Number of Employees Represented</u>	<u>Contract Expiration Date</u>
CSEA – 8 units. Public Works, Social Services/DCYF, Non-Secure Personnel, Mental Health, Health, General Services, County Clerk, E911 Telecommunicators	845	12/31/21
Teamsters Local 294		
Law Enforcement	27	12/31/21
DA Investigators	8	12/31/16 ⁽¹⁾
Corrections	41	12/31/21
Public Employees Federation - Probation Dept.	80	12/31/21
Albany County Sheriff Deputy's PBA Council, AFSCME Corrections Local 775	96 249	12/31/21 12/31/21
SEIU RN Unit	9	12/31/22
SEIU Service & Maintenance Unit	160	12/31/22
NYS United Teachers	55	12/31/22
United Public Service Employees Union	84	12/31/21

(1) In negotiation.

Status and Financing of Employee Pension Benefits

The County participates in the New York State and local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Contributions equal to 3% of salary are required of employees, except for employees who joined prior to July 27, 1976, and for those who have ten or more years of credited service. Under the authority of the NYSRSSL, the

Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County is required to contribute at an actuarially determined rate. The required contributions for the following years were:

<u>Year</u>	<u>ERS</u>
2014-15	\$27,014,378
2015-16	24,119,652
2016-17	22,566,223
2017-18	21,878,888
2018-19	22,253,232

The County's current contribution to ERS is due on or before February 1 of each year. Such contribution is based on salaries estimated to be paid during the fiscal year ending on March 31 of the next calendar year.

The County's contributions made to the Systems were equal to 100 percent of the contributions required for each year. For the payment made on February 1, 2015, the County paid \$19,684,401 and amortized the remaining \$7,329,977 which is allowable under Chapter 57 of the Laws of 2010. For the payment made on February 1, 2016, the County paid \$20,984,470 and amortized the remaining \$3,135,182. For the payment due February 1, 2017, the County prepaid \$22,566,223 on December 15, 2016 with no amortized amount. For the payment due February 1, 2018, the County prepaid \$21,878,888 on December 15, 2017 with no amortized amount. For the payment due February 1, 2019, the County prepaid \$22,253,232 on December 17, 2018 with no amortized amount.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participation employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to repay this liability. The County initially elected to make the payments over a 17-year period. In 1998, the County issued \$2,446,707 in long-term bonds to retire the liabilities to the retirement system. Those bonds had a final maturity of December 15, 2005 and have been repaid in full.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which provides for a new Tier VI for employees hired after April 1, 2012. The Division of the Budget estimates the new tier will save the State and local governments outside of New York City \$80 billion over the next thirty years. The new pension tier has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime used to determine an employee's pension is capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan for new non-union employees with salaries of \$75,000 or more.

Budgetary Process

The County Executive is responsible for submitting to the County Legislature on or before October 10 of each year a proposed budget and a capital expenditures program for the coming fiscal year. The Commissioner of the Office of Management and Budget develops a complete financial plan on behalf of the County Executive setting forth anticipated revenues and proposed appropriations and expenditures including debt service.

In addition to the proposed budget, the County Executive is required to submit to the County Legislature a budget message which shows that total estimated expenditures are less than or equal to total estimated income for the ensuing fiscal year. Estimated income and expenditures are compared with actual receipts and expenditures for the

last completed fiscal year. The message also enumerates the County's financial policies with respect to the proposed capital program and the details of financing and maintaining proposed projects.

The County Legislature reviews the budget, reports out its recommendations no later than November 20 and holds a public hearing not later than December 1. After the conclusion of the public hearing the County Legislature may change items as it sees fit, except for debt service or appropriations required by law. Decreases are not subject to the approval or veto of the County Executive. Increases recommended by the County Legislature must be approved by the County Executive or passed over an executive veto by a two-thirds majority vote of the Legislature, unless the County Executive fails to respond to the legislative changes by December 12.

The amount of all taxes, except as expressly provided by law, becomes a lien on assessed property as of January 1 of the fiscal year for which levied and remains a lien until paid.

The County Legislature may make supplemental appropriations during the course of the fiscal year to the extent that actual revenues exceed anticipated revenues. It may only make emergency appropriations to meet a public emergency affecting life, health or property and, to the extent necessary, may finance such emergency appropriation by the issuance of obligations pursuant to the Local Finance Law. If anticipated revenues appear to be insufficient to meet budgeted appropriations, the County Executive must report to the County Legislature without delay stating the problem and his recommendation for remedial action. The County Legislature may reduce appropriations, except for appropriations for debt service, expended appropriations and amounts required by law to be appropriated, or borrow temporarily pursuant to the Local Finance Law an amount not greater than the anticipated deficit.

The tables in Appendix B present summaries of the County's 2018 and 2019 Adopted Budgets.

REAL PROPERTY TAXES

Property Tax Collection and Delinquency Procedures

The County assesses its tax upon the towns and cities within the County. Each town or city collects taxes for itself, the County and the school or fire districts in its area. The towns and cities retain the full amount of their tax budgets and give the balance and any uncollected taxes to the County.

The County procedure for collection on delinquencies, as specified in the New York State Real Property Tax Law consists of four steps: issuance of notice of tax lien, tax sale, foreclosure and auction of the property.

After the tax lien sale the County must wait two years, or four years in the case of owner-occupied one or two-family dwellings, before commencing an in rem foreclosure action and thereafter obtaining a final judgment pursuant to Article 11 Title 3 of the Real Property Tax Law which allows public auction proceedings to begin.

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Constitutional Real Estate Tax Limit

In accordance with Section 10 of Article VIII of the State Constitution the amount which may be levied in the County by taxes on real estate in any fiscal year for County purposes, in addition to providing for the principal of and interest on all indebtedness, may not exceed an amount equal to 1.5% of the five year average full valuation of taxable real estate of the County, less certain deductions.

Constitutional Tax Limit

	<u>2019</u>
Five-Year Average, Full Valuation	\$ 24,899,416,450
Tax Limit (1.5%)	\$ 373,491,247
Total Levy	92,951,396
Total Exclusions	<u>31,191,770</u>
Tax Levy Subject to Limit	<u>61,759,626</u>
Tax Margin	<u>\$ 311,731,621</u>

Tax Levy and Collection Record

**Tax Levy and Collection Record
Fiscal Year Ending December 31:**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County Taxes	\$ 89,763,265	\$ 90,207,879	\$ 89,819,424	\$90,856,644	\$92,951,396
Town Taxes	154,648,348	157,526,215	159,836,349	165,701,408	161,708,750
Returned School Tax and Penalties	<u>9,730,524</u>	<u>9,800,172</u>	<u>9,925,558</u>	<u>10,318,878</u>	<u>11,872,136</u>
Total Tax Levy	<u>\$254,142,137</u>	<u>\$257,534,266</u>	<u>\$259,581,331</u>	<u>266,876,930</u>	<u>266,532,282</u>
Returned to County as Uncollected:					
Amount	\$ 30,047,359	\$ 26,583,695	\$ 26,089,695	\$ 21,694,842	22,207,936
Percent	11.83%	10.32%	10.05%	8.13%	8.33%
Uncollected at 5/6//2019:					
Amount	\$ 2,137,944	\$ 3,013,619	\$ 4,002,474	\$ 5,809,829	11,519,282
Percent	0.84%	1.17%	1.53%	2.17%	4.32%

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the “Tax Levy Limit Law”). The Tax Levy Limit Law, as amended, applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limit Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. The Tax Levy Limit Law was recently extended permanently. Pursuant to the Tax Levy Limit Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming

fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limit Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year. The County has not exceeded the tax levy limitation in the past five years.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's “faith and credit” is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and that is what courts have held they mean.”

Article 8 Section 12 of the State Constitution specifically provides as follows:

“It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.”

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

“So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded.”

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limit Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limit Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general

obligation debt contracted prior to the effective date of the Tax Levy Limit Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limit Law will be subject to judicial review to resolve the constitutional issues raised by its adoption.

Valuations and Taxes

Trend of Valuations and Taxes
For the Fiscal Years Ending December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Valuation	\$20,121,282,488	\$20,139,381,644	\$20,362,993,035	\$20,351,747,806	\$20,563,496,364
Full Valuation	23,355,554,809	23,856,807,738	25,192,260,694	26,035,931,645	26,056,527,362
General Fund Levy	89,615,090	89,819,255	90,856,644	92,496,319	92,692,544
Tax Rate Per \$1,000					
Full Valuation	\$3.83	\$3.76	\$3.61	\$3.55	\$3.56

Source: County Officials

Selected Listing of Large Taxable Properties
2018 Assessment Rolls

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$530,319,115
Crossgates Mall Co.	Shopping Center	252,019,200
New York Central Lines	Railroad	75,665,364
KRE Colonie Owner, LLC	Shopping Center	64,662,500
Verizon	Utility	56,518,734
Selkirk Cogen	Utility	50,000,000
Stuyvesant Plaza/ Exec Park	Shopping/Office	45,989,200
Latham Farms	Shopping Center	40,850,000
99 Washington Ave	Office Complex	38,750,000
Corporate Woods	Office Complex	<u>22,950,000</u>
	Total:	<u>\$1,177,724,113</u>

End of Appendix A

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APPENDIX B

SUMMARY FINANCIAL STATEMENTS

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COUNTY OF ALBANY, NEW YORK
 CONSOLIDATED STATEMENT OF BUDGETED REVENUES AND EXPENSES
 GENERAL FUND
 FOR THE YEARS ENDED DECEMBER 31:

	2018	2019
Revenues		
Local Tax Items	\$290,210,695	\$300,159,124
Dept/Misc. Income	54,726,612	58,415,748
State Aid	69,400,142	85,917,095
Federal Aid	72,632,036	72,877,743
Interfund Transfers	446,745	446,745
Tax Levy	89,646,319	89,842,544
Fund Balance		
	\$577,062,549	\$607,658,999
Total Revenues		
Appropriations		
General Government	\$163,621,292	\$170,952,979
Education	28,576,000	32,375,000
Public Safety	87,649,810	93,162,072
Health/Mental Health	41,142,956	42,563,028
Transportation	1,245,437	1,245,437
Econ Asst/Opportunity	206,785,602	215,147,715
Culture/Recreation	1,387,105	1,495,862
Home/Community	2,827,665	2,931,889
Inter fund Transfers	35,115,266	38,727,546
Undistributed	8,711,416	9,057,471
	\$577,062,549	\$607,658,999
Total Expenditures		

COUNTY OF ALBANY, NEW YORK
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS)
 GENERAL FUND

For the Years Ended December 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$86,556,964	\$88,053,356	\$81,461,326	\$88,506,698	\$88,098,624
Real Property Tax Items	7,223,549	7,209,703	9,225,041	8,934,388	10,202,071
Sales and Use Taxes	249,060,293	256,843,674	266,759,260	269,773,392	270,220,622
State Aid	54,140,367	54,762,130	55,439,267	59,424,277	62,132,392
Federal Aid	70,833,282	69,215,853	71,368,532	72,976,799	72,864,286
Departmental Income	30,479,223	26,357,823	28,115,857	28,580,133	29,286,405
Use of Money and Property	2,140,184	2,212,544	2,098,617	3,253,222	1,719,348
Intergovernmental charges	11,439,463	13,422,877	8,374,776	9,007,088	8,561,345
Fines and Forfeitures	641,072	582,104	714,317	639,496	676,616
Sale of property & Compensation for loss	4,165,318	4,725,160	4,029,444	8,134,865	3,564,781
Miscellaneous	1,204,907	1,112,117	1,442,530	994,777	2,724,807
Total Revenues	\$517,884,622	\$524,497,341	\$529,028,967	\$550,225,135	\$550,051,297
Other Financing Sources:					
Operating Transfers In	1,025,060	1,340,865	1,309,173	1,086,191	1,395,506
Retirement Credits	0	0	0	0	0
Proceeds of bonds	0	0	0	0	0
Total Revenues and Other Sources	\$518,909,682	\$525,838,206	\$530,338,140	\$551,311,326	\$551,446,803
Expenditures:					
General Government	\$130,152,923	\$133,963,285	\$142,036,342	\$141,623,872	\$142,230,999
Education	23,412,207	23,388,173	24,454,494	25,543,670	28,723,760
Public Safety	52,621,117	53,450,389	54,278,563	56,649,885	59,704,529
Health	27,454,413	27,909,052	29,550,305	30,722,273	30,248,742
Transportation	1,254,875	1,256,318	1,243,242	1,242,665	1,233,466
Economic Assistance & opportunity	181,398,517	177,464,354	171,069,306	179,370,576	181,334,767
Culture and Recreation	566,488	603,042	559,970	548,696	332,715
Home & Community Service	1,738,266	2,889,707	2,863,168	3,097,771	3,612,380
Employee Benefits	51,376,812	59,256,314	64,799,262	62,988,069	65,226,053
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest	195,937	40,875	34,708	0	0
Capital Outlay	2,261,940	1,157,121	1,597,071	2,240,523	2,249,651
Total Expenditures	\$472,433,495	\$481,378,630	\$492,486,431	\$504,028,000	\$514,897,062
Other Financing Sources					
Operating Transfers Out	(40,969,171)	(40,120,213)	(35,027,285)	(37,101,773)	(34,718,034)
Total Expenditures and Other Uses	\$513,402,666	\$521,498,843	\$527,513,716	\$541,129,773	\$549,615,096
Revenues and Other Sources Over (under) Expenditures and Other Uses	5,507,016	4,339,363	2,824,424	10,181,553	1,831,707
Fund Balances (Deficits), Beginning of Year	36,517,059	42,024,075	47,051,983	49,876,407	60,057,960
Prior Period Adjustment	0	0	0	0	0
Equity Transfer					
Fund Balances (Deficits), End of Year	\$42,024,075	\$46,363,438	\$49,876,407	\$60,057,960	\$61,889,667

Source: County's Audited Financial Statements
 Table itself not audited.

⁽¹⁾ Unaudited

COUNTY OF ALBANY, NEW YORK
 COMBINED BALANCE SHEET
 GENERAL FUND
 For the Years Ended December 31:

Assets:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cash and Cash Equivalents	\$34,812,130	\$36,941,581	\$41,994,650	\$33,618,933	\$27,282,167
Cash Restricted	200,897	65	150,136	2,000,381	1,850,383
Investments	0	0	0	0	0
Receivables					
Taxes receivable	68,427,298	74,773,939	75,559,548	74,241,949	73,524,451
State and federal receivables	61,008,447	63,825,416	58,530,465	47,806,420	51,744,776
Other	4,307,188	4,180,637	3,805,365	3,410,534	5,824,118
Due From Other Funds	7,262,548	3,676,156	4,008,762	5,010,327	5,343,973
Due From Other Governments	3,180,261	5,159,046	4,137,726	3,474,751	2,735,822
Prepaid Expenses	0	113,978	0	4,838,011	4,495,233
Inventory	61,532	90,552	62,131	53,683	53,423
	<hr/>				
Total	\$179,260,301	\$188,761,370	\$188,248,783	\$174,454,989	\$172,854,346
	<hr/>				
Liabilities:					
Accounts Payable	27,321,931	22,445,359	24,706,358	19,332,243	10,683,681
Accrued Expenditures	2,544,283	1,033,196	1,542,418	2,027,753	2,405,824
Due to Other Governments	57,510,580	67,180,169	66,130,296	47,288,014	48,461,829
Due to Other Funds	1,722,802	1,469,817	3,395,924	1,431,138	3,130,488
Other Liabilities	0	0	0	0	0
Deferred Revenues	30,291,794	31,920,404	36,678,284	39,997,148	38,725,685
Retainage Payable	6,256,263	7,860,414	5,919,096	4,320,733	7,557,172
Bond and Tax Anticipation Notes Payable	10,900,000	9,800,000	0	0	
	<hr/>				
Total Liabilities	136,547,653	141,709,359	138,372,376	114,397,029	110,964,679
	<hr/>				
Fund Balances:					
Nonspendable	61,532	204,530	62,131	4,891,694	4,548,656
Restricted	1,719,797	1,987,056	2,078,294	3,789,012	1,850,383
Assigned	6,054,131	5,131,725	5,430,897	6,858,664	9,217,465
Unassigned	34,877,188	39,728,700	42,305,085	44,518,590	46,273,163
	<hr/>				
Total Fund Equity	42,712,648	47,052,011	49,876,407	60,057,960	61,889,667
	<hr/>				
	\$179,260,301	\$188,761,370	\$188,248,783	\$174,454,989	\$172,854,346
	<hr/>				

Source: County's Audited Financial Statements
 Table itself not audited.

⁽¹⁾ Unaudited

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

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

<https://emma.msrb.org/ER1304783.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Bollam, Sheedy, Torani & Co. LLP, CPAs has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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APPENDIX D

FORM UNDERTAKINGS TO PROVIDE CONTINUING DISCLOSURE

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APPENDIX D

FORM UNDERTAKINGS TO PROVIDE CONTINUING DISCLOSURE

2019 Series A Bonds:

Section 1. Definitions

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

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

“Financial Obligation” shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“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 Security and any beneficial owner of the Security within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the County of Albany, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the County Comptroller as of September 24, 2019.

“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 issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Security” shall mean the Issuer’s **\$72,793,417* Various Purposes Serial Bonds – 2019 Series A**, dated September 24, 2019, maturing in various principal amounts on September 15 in each of the years 2020 to 2039, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Security, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York to EMMA, or any successor thereto, in an electronic format as prescribed by the MSRB

- (i) (A) no later than September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2019, the Annual Financial Information relating to such fiscal year, and (B) no later than September 30 after the end of each fiscal year, commencing

* Preliminary, subject to change

with the fiscal year ending December 31, 2019, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to EMMA within sixty (60) days after they become available and in no event later than December 31 after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Security:
- (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a

court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

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

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the heading "LITIGATION" and in Appendix A under the headings: "THE COUNTY OF ALBANY," "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS," "FINANCIAL INFORMATION" and "REAL PROPERTY TAXES"; and in Appendix B; which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on

EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it also must be available on EMMA.

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

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The annual audit of the Issuer's annual financial report filed with the Office of the New York State Comptroller in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Security Holder 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 Security.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or

status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

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

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

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

(b) In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of September 24, 2019.

COUNTY OF ALBANY, NEW YORK

By: /s/ _____
County Comptroller

2019 Series B Bonds:

Section 1. Definitions

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

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

“Financial Obligation” shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“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 Security and any beneficial owner of the Security within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the County of Albany, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the County Comptroller as of September 24, 2019.

“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 issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Security” shall mean the Issuer’s **\$9,405,000* Refunding Serial Bonds – 2019 Series B**, dated September 24, 2019, maturing in various principal amounts on September 15 in each of the years 2020 to 2025, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Security, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York to EMMA, or any successor thereto, in an electronic format as prescribed by the MSRB

- (i) (A) no later than September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2019, the Annual Financial Information relating to such fiscal year, and (B) no later than September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2019, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited

* Preliminary, subject to change

financial statements, if any, shall be delivered to EMMA within sixty (60) days after they become available and in no event later than December 31 after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Security:
- (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

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

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the heading "LITIGATION" and in Appendix A under the headings: "THE COUNTY OF ALBANY," "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS," "FINANCIAL INFORMATION" and "REAL PROPERTY TAXES"; and in Appendix B; which Annual Financial Information may, but it is not required to, include audited financial statements.

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

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in

narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The annual audit of the Issuer's annual financial report filed with the Office of the New York State Comptroller in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Security Holder 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 Security.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

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

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

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

(b) In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of September 24, 2019.

COUNTY OF ALBANY, NEW YORK

By: /s/ _____
County Comptroller

2019 Series C Bonds:

Section 1. Definitions

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

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

“Financial Obligation” shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“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 Security and any beneficial owner of the Security within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the County of Albany, a municipal corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the County Comptroller as of August 3, 2020.

“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 issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Security” shall mean the Issuer’s **\$23,560,000* Refunding Serial Bonds – 2019 Series C (FORWARD DELIVERY)**, dated August 3, 2020, maturing in various principal amounts on November 1 in each of the years 2021 to 2024, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Security, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York to EMMA, or any successor thereto, in an electronic format as prescribed by the MSRB

- (i) (A) no later than September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the Annual Financial Information relating to such fiscal year, and (B) no later than September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited

* Preliminary, subject to change

financial statements, if any, shall be delivered to EMMA within sixty (60) days after they become available and in no event later than December 31 after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Security:
- (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

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

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

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

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Security under the heading "LITIGATION" and in Appendix A under the headings: "THE COUNTY OF ALBANY," "COUNTY INDEBTEDNESS AND DEBT LIMITATIONS," "FINANCIAL INFORMATION" and "REAL PROPERTY TAXES"; and in Appendix B; which Annual Financial Information may, but it is not required to, include audited financial statements.

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

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in

narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The annual audit of the Issuer's annual financial report filed with the Office of the New York State Comptroller in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Security Holder 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 Security.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

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

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

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

(b) In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of August 3, 2020.

COUNTY OF ALBANY, NEW YORK

By: /s/ _____
County Comptroller

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APPENDIX E

FORM OF FORWARD DELIVERY CONTRACT

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APPENDIX H

FORM OF FORWARD DELIVERY CONTRACT

M&T Securities, Inc.
350 Park Avenue, 5th Floor
New York, NY 10022

Re: County of Albany, Refunding Serial Bonds - 2019 Series C (Forward Delivery)

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from the above referenced underwriter (the "Underwriter"), as set forth in the Bond Purchase Agreement (defined below) (the "Underwriter"), when, as, and if issued and delivered to the Underwriter by the County of Albany (the "County"), and the Underwriter agrees to sell to the Purchaser:

<u>Par Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>	<u>Yield</u>	<u>Price</u>
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The above-referenced Bonds are being offered by the County under the Preliminary Official Statement dated August 22, 2019 and the Official Statement relating to the Bonds dated _____, 2019 (the "Official Statement"), receipt and review of copies of which is hereby acknowledged, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Forward Delivery Contract. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Official Statement.

The Bonds are being purchased by the Underwriter pursuant to a Bond Purchase Agreement between the County and the Underwriter (the "Bond Purchase Agreement"). The Purchaser hereby purchases and agrees to accept delivery of such Bonds from the Underwriter on or about August 3, 2020 (the "Settlement Date.")

Payment for the Bonds which the Purchaser has agreed to purchase on the Settlement Date shall be made to the Underwriter or upon its order on the Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the County does not for any reason issue and deliver the above-referenced Bonds.

The obligation of the Purchaser to take delivery hereunder shall be unconditional except in the event that between the date of this Forward Delivery Contract and the Settlement Date: (A) the obligations the County provided for in the Bond Purchase Agreement have not been performed or satisfied, (B) the Underwriter shall have exercised the right to terminate the Bond Purchase Agreement as provided for therein, with respect to which termination the Purchaser shall be deemed to have consented, or (C) one of the following events shall have occurred: (1) there shall have been a Change in Law (defined below); (2) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State of New York

either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action which continues to be proposed as of the Settlement Date), or for any other reason, Bond Counsel cannot issue an opinion to the effect that (a) the interest on the Bonds is not subject to federal income tax under Section 103 of the Code (or comparable provisions of any successor federal tax laws), and (b) the interest on the Bonds is exempt from the State of New York and local income taxation; (3) the Official Statement as of the date of Closing (as defined in the Bond Purchase Agreement between the Underwriter and the County) (which is expected to occur on or about August 3, 2020), or the Official Statement, as amended, if applicable, as of the Settlement Date contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; (4) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities Exchange Commission which, in the reasonable opinion of Underwriter, following consultation with the County, has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Resolution under the Trust Indenture Act of 1939, as amended, or an event shall occur which would cause the sale of the Bonds to be in violation of any provision of the federal or State of New York securities laws; (5) a general banking moratorium has been declared by federal or New York authorities and it is in effect as of the Settlement Date; or (6) letters or other evidence from each of Moody's Investor Service and Standard and Poor's Rating Service stating the ratings on the Bonds as of the Settlement Date are not delivered (which ratings may be different than the ratings on the Bonds as of the date of Closing). The Underwriter shall notify the Purchaser promptly in the event that Underwriter becomes aware of the occurrence of any of the events described in clauses (1) through (6) above.

A "Change in Law" means (1)(a) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (b) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (c) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (d) any judgment, ruling or order issued by any court or administrative body, which (2) in any such case would, (a) as to the Underwriter, prohibit the Underwriter from completing the underwriting of the Bonds or selling the Bonds or the beneficial ownership interests therein to the public, or (b) as to the County, would make the completion of the issuance, sale or delivery of the Bonds illegal.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Settlement Date unless one of the events described above shall have occurred. The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Bonds between the date of Closing and the Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the County from the date hereof to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell such Bonds following the date hereof, unless the Purchaser sells such Bonds to another institution with the prior written consent of the Underwriter and such

institution provides a written acknowledgment of confirmation of purchase order and a Forward Delivery Contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Forward Delivery Contract, the Purchaser is not prohibited from purchasing the Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. This Forward Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other. The Purchaser acknowledges that the Underwriter is entering into an agreement with the County to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Forward Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. It is understood that the acceptance by the Underwriter of any Forward Delivery Contract (including this one) is in the Underwriter's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Forward Delivery Contract is acceptable to the Underwriter, it is requested that the Underwriter sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter and the Purchaser when such counterpart is so mailed or delivered by the Underwriter.

This Forward Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Forward Delivery Contract shall be construed and administered under the laws of the State of New York.

Purchaser

Address _____

Telephone: _____

By: _____

Name: _____

Title: _____

Accepted: M&T Securities, Inc.

Name: _____

Title: _____