

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 4, 2020**

**NEW ISSUES  
BOOK-ENTRY-ONLY BONDS**

**RATING: SEE "RATING" HEREIN  
SERIAL BONDS AND REFUNDING SERIAL BONDS**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "Tax Matters" herein.*

*The Bonds will NOT be "qualified tax-exempt obligations" pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986.*

**TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK**

**\$10,166,027\*  
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2020 SERIES A  
(the "Series A Bonds")**

**Date of Issue: Date of Delivery**

**Maturity Dates: May 15, 2021 – 2038**

**\$4,100,000\*  
REFUNDING (SERIAL) BONDS, 2020 SERIES B  
(the "Series B Bonds" and together with the Series A Bonds, the "Bonds")**

**Date of Issue: June 18, 2020**

**Maturity Dates: September 15, 2020 – 2026**

The Bonds are general obligations of the Town of Orangetown, Rockland County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to applicable statutory limitations. (See "Nature of Obligation" and "Tax Levy Limitation Law" herein).

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), 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 or any integral multiple thereof, except for one necessary odd denomination in the first maturity of the Series A Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "Book-Entry-Only System" herein).

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 of the Series A Bonds, payable on May 15, 2021, November 15, 2021 and semiannually thereafter on May 15 and November 15 in each year until maturity. The Series A Bonds shall mature on May 15 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds are subject to 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 of the Series B Bonds, payable on September 15, 2020 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Series B Bonds shall mature on September 15 in each year 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 A Bonds are offered when, as and if issued and received by the purchaser subject to the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. The Series B Bonds are offered when, as and if issued and received by the Underwriter of the Series B Bonds subject to the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Barclay Damon LLP, Albany, New York. It is expected that delivery of the Series A Bonds in book-entry form will be made through the facilities of DTC in Jersey City, New Jersey on or about May 21, 2020. It is expected that delivery of the Series B Bonds in book-entry form will be made through the facilities of DTC in Jersey City, New Jersey on or about June 18, 2020, subject to the approval of the State Comptroller.

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

Dated: May \_\_, 2020

\*Preliminary, subject to change.

Underwriter of the Series B Bonds:

**ROOSEVELT & CROSS INCORPORATED**

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 May 15 in the years and amounts as set forth below and are not subject to optional redemption prior to maturity:

<u>Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>
2021	\$ 406,027	%	%	2030**	\$ 565,000	%	%
2022	505,000			2031**	575,000		
2023	510,000			2032**	585,000		
2024	520,000			2033**	600,000		
2025	525,000			2034**	610,000		
2026	535,000			2035**	625,000		
2027	540,000			2036**	640,000		
2028	550,000			2037**	650,000		
2029**	560,000			2038**	665,000		

\* The principal amounts of the Series A Bonds are subject to adjustment following the sale of the Series A Bonds, pursuant to the terms of the accompanying Notice of Bond Sale.

\*\* The Bonds maturing in the years 2029 and thereafter will be subject to redemption prior to maturity, as described herein. (See “*Optional Redemption*” herein.)

The Series B Bonds will mature on September 15 in the years and amounts as set forth below and are not subject to optional redemption prior to maturity:

<u>Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>
2020	\$ 5,000	%	%	2024	\$ 700,000	%	%
2021	615,000			2025	725,000		
2022	640,000			2026	750,000		
2023	665,000						

\* Preliminary, subject to change.

**TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK**

**TERESA KENNY  
Supervisor**

**TOWN BOARD**

Jerry Bottari ..... Councilman  
Thomas Diviny..... Councilman  
Denis Troy ..... Councilman  
Paul Valentine..... Councilman

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Jeffrey Bencik ..... Director of Finance  
Janice Ganley ..... Supervisor of Fiscal Services  
Rosanna Sfraga ..... Town Clerk  
Robert Simon ..... Receiver of Taxes  
Robert Magrino, Esq. .... Town Attorney  
Brian Kenney ..... Town Assessor

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**BOND COUNSEL**

**Orrick, Herrington & Sutcliffe LLP  
New York, New York**

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**MUNICIPAL ADVISOR**



**Capital Markets Advisors, LLC  
Hudson Valley \* Long Island \* Southern Tier \* Western New York  
(516) 364-6363**

No dealer, broker, salesman or other person has been authorized by the Town of Orangetown (the "Town") to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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 Town since the date hereof.

The information set forth herein has been furnished by the Town, The Depository Trust Company (as to itself and the book-entry only system) and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Purchaser.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE AUTHORIZING RESOLUTIONS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they may be obtained from the Town, upon prepayment of reproduction costs, postage and handling expenses.

*(The remainder of this page has been intentionally left blank.)*

No person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates 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 Town since the date hereof.

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**APPENDIX D – FORMS OF BOND COUNSEL’S OPINIONS**

**OFFICIAL STATEMENT**

**TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK**

**relating to**

**\$10,166,027\***  
**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2020 SERIES A**  
**(the “Series A Bonds”)**

**and**

**\$4,100,000\***  
**REFUNDING (SERIAL) BONDS, 2020 SERIES B**  
**(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

This Official Statement (the “Official Statement”), which includes the cover pages and appendices hereto, presents certain information relating to the Town of Orangetown in the County of Rockland, in the State of New York (the “Town,” “County,” and “State,” respectively), in connection with the sale of \$10,166,027\* Public Improvement (Serial) Bonds, 2020 Series A (the “Series A Bonds”) and \$4,100,000\* Refunding (Serial) Bonds, 2020 Series B (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”).

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

**THE BONDS**

***Description of the Bonds***

The Series A Bonds will be dated their Date of Delivery, will bear interest from such date payable May 15, 2021, November 15, 2021 and semiannually thereafter on each May 15 and November 15 until maturity and will mature on May 15 in the years and amounts as set forth on the inside cover page hereof. The Series A Bonds will be subject to optional redemption prior to maturity. (See “*Optional Redemption*” herein).

The Series B Bonds will be dated their Date of Delivery, will bear interest from such date payable September 15, 2020 and semiannually thereafter on each March 15 and September 15 until maturity and will mature on September 15 in the years and amounts as set forth on the inside cover page hereof. The Series B Bonds will not be subject to optional 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”), Jersey City, New Jersey. 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 ownership interest in the Bonds.

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\*Preliminary, subject to change.

Principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) 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 Town referred to therein.

The record date for payment of principal of and interest on the Bonds will be the last business 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, among others, the Town Law, the Local Finance Law, and bond resolutions adopted by the Town Board on the dates set forth below. The proceeds from the Series A Bonds will be used to provide original financing for the purposes described in the following table:

<u>Purpose</u>	<u>Resolution Date</u>	<u>Amount Authorized</u>	<u>Amount to Bonds</u>
Police Vehicles	12/17/2019	\$ 415,600	\$ 415,600
Improvements to Various Buildings	12/17/2019	543,000	543,000
Improvements to Playgrounds	12/17/2019	855,000	855,000
Improvements to the Blue Hill Golf Course	12/17/2019	425,000	425,000
Sewer System Improvements	1/28/2020	1,414,000	1,414,000
Sewer System Equipment (1)	1/28/2020	134,000	134,000
Sewer System Equipment (2)	1/28/2020	63,000	63,000
Building Improvements	1/28/2020	190,000	190,000
Purchase of Trucks	1/28/2020	663,000	663,000
Purchase of Vehicles	1/28/2020	142,500	142,500
Paving of the Lot at WWTP	1/28/2020	25,000	25,000
Reconstruction and Resurfacing of Roads	12/17/2019	2,000,000	2,000,000
Purchase of Heavy Equipment - DPW	12/17/2019	2,073,000	2,073,000
Various Drainage Improvements	12/17/2019	500,000	500,000
Fueling Station	12/17/2019	189,927	189,927
Improvements to Sidewalks	12/17/2019	500,000	500,000
New Screen	12/17/2019	<u>33,000</u>	<u>33,000</u>
Totals:		<u>\$10,166,027</u>	<u>\$10,166,027</u>

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

The Series B Bonds are issued pursuant to the Constitution and Laws of the State of New York, including among others, the Town Law and the Local Finance Law, including particularly Section 90.10, and a refunding bond resolution duly adopted by the Town Board on January 28, 2020. 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 \$4,305,000 outstanding principal of the Town’s Public Improvement (Serial) Bonds, 2010 which mature in the years 2021 to 2026, inclusive (the “Refunded Bonds”). The Refunded Bonds were issued in the original principal amount of \$9,995,000. Under the Refunding Plan, the Refunded Bonds that are subject to redemption prior to maturity are to be called and redeemed on September 15, 2020. The net proceeds of the Series B Bonds (after payment of the underwriting fee and other costs of issuance relating to the Series B 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, 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 Town and the Escrow Holder, dated as of the delivery date of the Series B Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium of the Refunded Bonds on the date of their redemption.

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

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

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

Refunded Bonds:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
September 15, 2021	\$ 665,000	3.000%	685491VM1	September 15, 2020 @ 100%
September 15, 2022	685,000	3.000	685491VN9	September 15, 2020 @ 100%
September 15, 2023	705,000	3.000	685491VP4	September 15, 2020 @ 100%
September 15, 2024	730,000	3.000	685491VQ2	September 15, 2020 @ 100%
September 15, 2025	750,000	3.000	685491VR0	September 15, 2020 @ 100%
September 15, 2026	<u>770,000</u>	3.000	685491VS8	September 15, 2020 @ 100%
Total:	<u>\$4,305,000</u>			

\* Preliminary, subject to change.

### ***Sources and Uses of Proceeds of the Series B Bonds***

Sources:

Refunding Bond Proceeds:	
Par Amount	\$
Original Issue Premium (Discount)	
Total:	

Uses:

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



## ***Verification of Mathematical Computations for the Series B Bonds***

PKF O'Connor Davies, LLP will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the provided schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Series B Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Series B Bonds is excludable from gross income for Federal income tax purposes.

## ***Optional Redemption***

The Series A Bonds maturing on or before May 15, 2028 will not be subject to redemption prior to maturity. The Series A Bonds maturing on or after May 15, 2029 will be subject to redemption prior to maturity at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after May 15, 2028 at par, plus accrued interest to the date of redemption.

If less than all of the Series A Bonds of any maturity are to be redeemed, the particular bonds of such maturity redeemed shall be selected by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See "*Book-Entry-Only System*" for additional information concerning redemptions).

The Series B Bonds will not be subject to redemption prior to maturity.

## ***Book-Entry-Only System***

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 of each series of the Bonds and will be deposited with DTC.

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

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

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

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

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 Money Market Instruments (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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).

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town 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 TOWN TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION,

THE TOWN 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 OWNERS.

THE TOWN 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 TOWN 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.

### **NATURE OF OBLIGATION**

Each Bond, when duly issued and paid for, will constitute a contract between the Town and the holder thereof.

Holders of any series of bonds or notes of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State 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 this is what the courts have held they mean...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 and 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 political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

### ***Tax Levy Limitation Law***

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (as amended, the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the

exception of New York City, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are affected indirectly by applicability to their respective city). 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 Limitation 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. As amended, the Tax Levy Limit Law was scheduled to expire on June 15, 2020 unless extended; it was made permanent by legislation in 2019. Pursuant to the Tax Levy Limitation 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 due to 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 Limitation 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 its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation 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 Law (June 24, 2011).

While the Tax Levy Limitation 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 the Tax Levy Limitation 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 Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such a statutory tax levy limitation is not clear.

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

**General Municipal Law Contract Creditors' Provision.** Each Bond, when duly issued and paid for, will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. 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 and interest on the Bonds.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

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

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

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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 obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law, as described below, enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in the county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims against the municipality, including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims, including debt service due or overdue, must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution, which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation,

assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene, such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders and bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State, require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

**No Past Due Debt.** No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

## **MARKET FACTORS**

The financial and economic condition of the Town as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Town’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 Town 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 the Town will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town 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 Town can be paid only if the State has such monies available therefor. (See “State Aid” herein).

Should the Town fail to receive monies expected from the State in the amounts and at the times expected, the Town 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 or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note 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 Town. Any such future legislation could have an adverse effect on the market value of the Bonds (See “Tax Matters” herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the Town, school districts and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Bonds. (See “Tax Levy Limit Law,” herein).

### ***Effect of COVID-19***

The outbreak of the novel coronavirus (“COVID-19”) has affected travel, commerce and financial markets globally, and is widely expected to affect national, state and local economies. The degree of any such impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by governmental authorities to contain or mitigate its impact. Nonetheless, there can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the Town.

### ***Cybersecurity***

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

## **THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS**

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

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

The most current applicable report, for 2018 data, of the State Comptroller designates the Town as "No Designation," with a fiscal score of 3.3% and an environmental score of 20.0%.

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on June 30, 2017. The purpose of the audit was to examine overtime pay for the period January 1, 2015 through July 19, 2016. The complete report can be obtained from OSC's website.

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

## **LITIGATION**

The Town is subject to a number of lawsuits in the ordinary conduct of its municipal affairs. Except as noted below, the Town Attorney is of the opinion that adverse decisions in those suits, either individually or in the aggregate, will not have a material adverse effect on the financial condition of the Town.

The Town Attorney has reviewed the status of pending individual cases, which may result in a judgment against the Town for an amount of at least five hundred thousand dollars (\$500,000) and reports as follows:

The Town is a defendant in numerous tax certiorari proceedings instituted by property owners in the Town, some of which seek refunds of tax payments made in excess of the above stated amount and/or reductions in assessment. The Town believes that it has material defenses to these claims which either support the challenged assessments, and, therefore, relieve the Town of any liability for refund, or significantly mitigate the Town's exposure thereon. In the event of a judgment against the Town, the Town is authorized under the provisions of the Local Finance Law to finance any such refund through the issuance of bonds and notes.

In addition to the aforementioned litigation, the Town and its officers and employees are defendants in numerous lawsuits. The Town does not believe, however, that such suits, if decided against the Town, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town and its ability to pay the principal and interest on the Bonds when due. The Town currently carries liability insurance coverage, which covers all liability claims after a self-insured payment on the first \$75,000 for each claim. This general liability coverage insures the Town up to \$10 million.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, 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”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Complete copies of the proposed forms of opinions of Bond Counsel are set forth in Appendix D hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Town has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, certain legislative proposals in recent years have been made that would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the applicable approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel’s respective opinions will be in substantially the forms attached hereto as Appendix D.

## **DISCLOSURE UNDERTAKING**

### ***Disclosure Undertaking for the Bonds***

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Bonds, the Town will provide an executed copy of its undertaking to provide continuing disclosure certificate (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”), the Town has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated March 5, 2020 of the Town relating to the Bonds under the headings “Litigation” and in Appendix A under the headings “The Town”, “Financial Factors”, “Real Property Taxes”, “Town Indebtedness” and “Economic and Demographic Data” and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit (prepared in accordance with the accounting principles the Town may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of 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;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a “financial obligation” (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Town, if any such event reflects financial difficulties.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, 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 Town.

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means 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). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Town may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The Town’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”) which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in consultation with nationally recognized bond counsel in a manner consistent with Rule 15c2-12, as amended.

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Town 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 Town 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 Town. 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.

## **RATING**

On March 31, 2020, Moody's Investors Service ("Moody's") affirmed a rating of "Aa2" for the Town's outstanding long-term indebtedness and applied such rating to the Bonds.

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

## **SERIES B BOND UNDERWRITING**

The Town has selected Roosevelt & Cross, Inc. ("R&C") as the senior manager, book-running underwriter for the Series B Bonds.

R&C has agreed, subject to certain conditions, to purchase the Series B Bonds from the Town 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 cover page hereof. The Series B Bonds may be offered and sold to certain dealers (including dealers depositing such Series B 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 if any such Series B Bonds are purchased.

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

## **ADDITIONAL INFORMATION**

Additional information may be obtained from Mr. Jeffrey Bencik, Director of Finance, 26 Orangeburg Road, Orangeburg, New York 10962, (845) 359-5100 or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 364-6363 and is also available at [www.capmark.org](http://www.capmark.org).

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Town management's beliefs as well as assumptions made by, and information currently available to the Town's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town's files with the MSRB. When used in Town documents or oral presentations, the words "anticipate," "believe," "intend," "plan," "foresee," "likely," "estimate," "expect," "objective," "projection," "forecast," "goal," "will," or "should," or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did 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, subject to limitation as to information in the Official Statement obtained from sources other than the Town, as to which no representation can be made.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://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 Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town 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 Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

TOWN OF ORANGETOWN  
ROCKLAND COUNTY, NEW YORK

By: \_\_\_\_\_  
Teresa Kenny  
Supervisor

Dated: May \_\_, 2020

**APPENDIX A**

**THE TOWN**



# THE TOWN

## ***General Information***

The Town, incorporated in 1788, is located in the southeastern portion of Rockland County, approximately 20 miles north of New York City and encompasses about 25 square miles. It includes the incorporated villages of Grand View-on-Hudson, Nyack, Piermont and South Nyack. School districts providing educational services within the Town include Nanuet Union Free School District, South Orangetown Central School District, Nyack Union Free School District and Pearl River Union Free School District. The population for the Town is 50,365 representing a 2.4% increase since 2010.

The Town is primarily residential in character, consisting of single family, two-family and apartment houses. Commercial facilities include the village business districts and shopping centers. Large commercial development in the Town includes a 100,000 sq. ft. data center by Bloomberg that was completed in 2016 and a 200,000 sq. ft. data center that was completed for JP Morgan Chase in 2019. Additionally, a Stop and Shop was completed in 2014 and a Marriott Hotel in 2015. Finally, IRG has purchased most of the former Pfizer property and is in the process of redeveloping the parcel.

## ***Form of Government***

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may from time to time adopt local laws.

The legislative power of the Town is vested in the Town Board, which consists of five members, including the Supervisor, who is the chief executive officer and chief fiscal officer of the Town and is elected for a two-year term. The four other members of the Town Board are elected to four-year terms, which are staggered such that two Town Board members are elected every two years. All Town Board members are elected at large and there is no limitation as to the number of terms each may serve.

The Town Clerk and the Superintendent of Highways are each elected to two-year terms. The Receiver of Taxes is elected to a four-year term. The Town Supervisor appoints a Director of Finance, and the Town Board appoints a Town Assessor, Town Attorney and Town Engineer. The Town Supervisor administers all Town departments. The Director of Finance is the Town's Budget Officer as well as the official responsible for all audit and financial operations.

## ***Town Services***

The Town provides its residents with many of the services traditionally provided by Town governments, as follows: police protection and law enforcement; sewer services; highway and public facilities maintenance; a local justice court that is responsible for enforcing provisions of the State's Vehicle and Traffic Law and local ordinances as well as having jurisdiction over certain civil and criminal matters; cultural and recreational activities; building code enforcement; and planning and zoning administration. Fire protection is furnished by five fire districts and by village fire departments.

Pursuant to State law, the County, not the Town, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

## ***Employees***

The Town provides services through 256 full-time equivalent employees, some of whom are represented by the following units of organized labor as shown in Table 1. The Town also employs a large number of temporary seasonal employees, primarily in recreation programs.

**TABLE 1**  
**Employees**

<u>Number of Employees</u>	<u>Organization</u>	<u>Contract Expiration Date</u>
80	Orangetown Policemen's Benevolent Associations	12/31/2022
134	Civil Service Employees Association (CSEA)	12/31/2020

## ***Employee Pension Benefits***

Substantially all employees of the Town eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employees' Retirement System ("ERS") and the Local Police and Fire Retirement System ("PFRS"), collectively referred to as the "System". The System is a cost sharing, multiple public employers' retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). The System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The NYSRSSL generally provides that all participating employers in each retirement system are jointly and severally liable for any un-funded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the System. The System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 with less than ten years of service must contribute 3% of gross annual salary toward the cost of retirement programs.

On December 12, 2009, Tier V was signed into law. The law became effective for ERS and PFRS hires on January 1, 2010. The legislation created a Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees and PFRS to contribute 3% of their salaries
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the Tier VI pension program, effective for employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The Town's contributions to the ERS and PFRS since 2014 and the 2020 budgeted payments are as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2014	2,395,258	2,977,154
2015	2,601,401	2,896,149
2016	2,527,061	2,749,008
2017	2,532,917	2,988,175
2018	2,654,137	3,158,412
2019 (Unaudited)	2,508,887	3,151,121
2020 (Budgeted)	2,592,579	3,453,873

Source: Town of Orangetown

Note: The Town elected to amortize its 2013 and 2016 contributions for employees represented by the Orangetown Policeman's Benevolent Associations. In 2014, the Town amortized its contribution for employees represented by the CSEA union. There has not been any amortizations of the pension expense since 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 Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town.

The Town is in compliance with the requirements of GASB 75 as was required by the end of the Town’s 2018 fiscal year. It has been determined that the Town’s total OPEB liability as of December 31, 2018 was approximately \$130,158,516 assuming a discount rate of 3.71%.

## **FINANCIAL FACTORS**

### ***Independent Audit***

The Town’s annual audited financial statements for the fiscal year ended December 31, 2018 were audited by O’Connor Davies, LLP, a firm of independent certified public accountants. Appendix B to this Official Statement presents a summary of certain information from the audited financial statements for the fiscal years December 31, 2014 through December 31, 2018. Appendix C to this Official Statement presents the link to the Audited Financial Statements of the Town for the fiscal year ending December 31, 2018.

### ***Fund Structures and Accounts***

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

There are two broad fund categories: (1) governmental funds that are used to account for basic services and capital projects; and (2) fiduciary funds that account for assets held in a trustee or custodial capacity. Account groups, which do not represent funds, are concerned with the measurement of financial position and not the results of operations.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds (Town Outside Villages Fund, Sewer Fund, Special Districts Fund and Highway Fund), Debt Service Fund and Capital Projects Fund.

### ***Basis of Accounting***

The financial statements of the Town are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are measurable and available to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis, that is, when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due, and (3) compensated absences which are charged as an expenditure when paid.

### ***Revenues***

*Real Property Taxes.* The Town derives a major portion of its General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein). Property taxes accounted for 62.9% of total operating revenues for the fiscal year ended December 31, 2018. The table on the following page sets forth General Fund (Town-wide) and Part-Town Fund (Town Outside Villages) total general fund revenues and real property tax revenues during the last five audited fiscal years, the most recent, unaudited fiscal year, and the amounts budgeted for the current fiscal year:

**TABLE 2**  
**Property Taxes**  
**(General Fund and Part-Town Fund)**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2014	\$38,563,520	\$ 27,774,190	72.0%
2015	41,162,368	29,120,057	70.7
2016	40,589,152	28,256,764	69.6
2017	43,554,749	28,570,701	65.6
2018	45,022,640	28,334,709	62.9
2019 (Unaudited)	43,138,292	28,811,689	66.8
2020 (Budgeted)	46,005,930	31,322,494	68.1

Source: Source: Town of Orangetown, Comprehensive Audited Financial Statements Fiscal Year Ending 12/31 (2014-2018), 2019 Unaudited Results and the 2020 Adopted Budget. This summary itself is not audited.

*State Aid.* The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2018, State aid represented approximately 4.71% of the total General Fund and Town Outside Villages Fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to towns will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions, which eliminate or substantially reduce State aid, could have a material adverse effect upon the Town; this would require either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

The following table sets forth General Fund (Town-wide) and Part Town Fund (Town Outside Villages) revenues and State aid during the last five fiscal years, the most recent, unaudited fiscal year, and the amounts budgeted for the current fiscal year:

**TABLE 3**  
**State Aid**  
**(General Fund and Part-Town Fund)**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2014	\$38,563,520	\$1,492,643	3.87%
2015	41,162,368	2,063,525	5.01
2016	40,589,152	1,884,931	4.64
2017	43,554,749	2,309,254	5.30
2018	45,022,640	2,121,579	4.71
2019 (Unaudited)	43,138,292	1,801,204	4.18
2020 (Budgeted)	46,005,930	1,885,710	4.10

Source: Source: Town of Orangetown, Comprehensive Audited Financial Statements Fiscal Year Ending 12/31 (2014-2018), 2019 Unaudited Results and the 2020 Adopted Budget. This summary itself is not audited.

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## ***Mortgage and Sales Tax Revenues***

**TABLE 4**  
**Mortgage and Sales Tax**

<u>Mortgage Tax</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Budgeted Amount	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,400,000
Mortgage Revenue Received	\$1,478,107	\$1,566,768	\$1,983,222	\$1,599,224	\$1,753,055
Amount over/(under)	\$(21,893)	\$66,768	\$483,222	\$99,224	\$353,055

  

<u>Sales Tax</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Budgeted Amount	\$1,750,000	\$1,750,000	\$1,750,000	\$1,700,000	\$1,650,000
Sales Tax Revenue Received	\$1,948,219	\$1,803,623	\$1,795,597	\$1,794,858	\$1,738,451
Amount over/(under)	\$198,219	\$53,623	\$45,597	\$94,858	\$88,451

2020 Budgeted Mortgage Tax: \$1,600,000

2020 Budgeted Sales Tax: \$1,800,000

### ***Budget Process***

The Town Supervisor prepares and submits a tentative budget for all Town Funds to the Town Board each fall. The Town Board approves the preliminary budget, including any revisions, and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted on or before November 20 by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

### ***2020 Adopted Budget***

The Town's 2020 Budget was adopted on November 12, 2019. It assumes \$1,200,000 will be appropriated from the fund balance in the General Fund. Total General Fund budgeted revenues for 2020 are equal to total budgeted expenditures for 2020.

### ***Investment Policy***

With respect to the temporary investment of monies which are not required for immediate expenditure, the Town has adopted an investment policy in conformity with applicable laws of the State. All such investments of the Town are made in accordance with such policy. Pursuant to State law, including Sections 10 and 11 of the General Municipal Law, a municipality is permitted to temporarily invest moneys with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities or acceptance of an eligible surety bond or and eligible letter of credit, pursuant to the provisions of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the General Municipal Law (the "GML") of the State; (2) obligations of the United States of American; (3) obligations guaranteed by agencies of the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Town itself; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (8) in the case of moneys held in certain reserve funds established by municipalities or certain improvements districts pursuant to law, in obligations of such municipality. All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the municipality, such obligations must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such obligations held in the

custody of a bank or trust company must be held by such bank or trust company pursuant to a written custodial agreement as set forth in subdivision 3 of Section 10 of the GML.

A municipality must also, pursuant to subdivision 2a. of Section 10 of the GML, designate by resolution one or more banks or trust companies for the deposit of public funds, the disposition of which is not otherwise provided for by law. Such resolution must specify the maximum amount which may be kept on deposit at any time in each bank or trust company. Except as otherwise provided by law, such deposits shall be made to the credit of the municipality. All public deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act as now or hereafter amended are required to be secured by either a pledge of eligible securities or acceptance of an eligible surety bond or an eligible letter of credit, pursuant to the provisions of and subject to the limitations of subdivision 3 of Section 10 of the GML.

## **REAL PROPERTY TAXES**

### ***Tax Levy Limitation Law***

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising 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 Limitation 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. It expires on June 16, 2020 unless extended. Pursuant to the Tax Levy Limitation 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 exceptions to the tax levy limitation provided in the Tax Levy Limitation 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 its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation 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 Law (June 24, 2011).

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 Limitation 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 the Tax Levy Limitation 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 Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

### ***Real Property Tax Collection Procedure and History***

The Town derives a significant portion of its annual revenue through a direct real property tax. Taxes are due January 1 and are payable, without penalty, up to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In April, the tax roll is returned to the County and taxes plus penalties are payable to the County Commissioner of Finance. The Town retains the total amount of its current levy and delinquent water and sewer charge levies from the total collections and returns the balance plus the uncollected items to the County, which assumes responsibility and holds annual tax sales.

The Town is a defendant in numerous tax certiorari proceedings, the results of which generally require tax refunds on the part of the Town. Refunds of this nature are normally not made directly by the Town but rather by the County of Rockland, with refunds being added to the County tax warrant, and with these costs paid by Town taxpayers in the subsequent year.

In June 2011, following legal action by Pfizer, at the time the Town’s largest taxpayer (then approximately 10% of the Town’s taxbase), the Orangetown Town Board approved a stipulation that resulted in a refund of \$2.4 million on the County warrant of the 2012 property tax bill. This was a 45% reduction below the 2011 level. The Town is continuing to combine lower assessments and tax refunds in order to result in a net property tax cost to Pfizer that is similar to a 45% reduction below the 2011 level.

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**TABLE 5****Tax Rates**

(Per \$1,000 of Assessed Valuation)

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
County and State:						
Homestead	\$6.33	\$7.18	\$6.65	\$6.85	\$6.98	\$7.25
Town:						
Homestead	2.08	1.96	2.05	2.07	2.07	2.10
Non-Homestead	3.07	2.85	3.63	3.39	3.30	3.42
Part-Town: (Part Town I & II) <sup>1</sup>						
Homestead	6.78	6.74	6.66	7.06	7.11	7.82
Non-Homestead	9.45	9.42	11.45	11.39	10.61	11.44
Highway Part-Town:						
Homestead	1.51	1.59	1.66	1.74	1.77	1.78
Non-Homestead	2.16	2.30	3.03	3.02	2.84	2.79
Special Districts:						
Fire Districts <sup>2</sup>	1.64	1.64	1.28	1.29	1.29	1.29
Hydrant Districts <sup>2</sup>	.48	.50	.50	.56	.58	.59
Library Districts:						
Tappan	1.50	1.53	1.55	1.58	1.58	1.58
Blauvelt	1.40	1.43	1.45	1.45	1.41	1.40
Orangeburg	1.49	1.51	1.54	1.73	1.77	1.78
Palisades	1.62	1.66	1.67	1.67	1.67	1.66
Sparkill	1.61	1.65	1.67	1.73	1.73	1.72
South Orangetown Ambulance	.23	.24	.23	.23	.23	.23
Nyack Ambulance	.70	.66	.68	.68	.70	.70
Paramedic Service	.31	.32	.34	.34	.35	.35

Source: Town of Orangetown Assessor's Office

(1) Average Fee.

(2) Includes Part-Town I - Police and Part-Town II - Other

There are no uncollected taxes in the Town. Payment in full of all Town items is guaranteed by the County.

**TABLE 5****Tax Levies**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Tax Levy	\$53,560,328	52,227,213	53,733,150	53,512,850	53,205,814
Tax Collected	53,560,328	52,227,213	53,733,150	53,512,850	53,205,814
% Uncollected	-	-	-	-	-

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**Ten of the Largest Taxpayers**

The following table presents the taxable assessments of ten of the Town’s largest taxpayers as of December 31, 2019:

**TABLE 6**  
**Taxable Assessments**

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Orange & Rockland Utilities, Inc.	Public Utility	\$ 74,839,280	1.99%
American Cynamid (Pfizer)	Pharmaceuticals	63,472,900	1.68
Palisades Interstate Park	State Lands	57,501,689	1.53
Pearl River Campus	Industrial/Office	50,211,800	1.35
Spring Valley Water Co.	Public Utility	43,521,962	1.15
Glorious Sun Robert	Office Complex	33,817,590	0.90
Pontiac Holdings/Bradley Indust.	Industrial	27,112,313	0.72
HNA Training Center NY LLC	Commercial	18,004,000	0.48
SKAE Power Solutions	Commercial	11,364,500	0.30
Clarins USA Inc.	Perfume	<u>8,660,000</u>	<u>0.23</u>
	Totals:	\$388,506,034	10.31%

Source: Town of Orangetown - Assessors Office, Assessed Valuation for 2019 is \$3,768,406,844.

**TOWN INDEBTEDNESS**

***Constitutional Requirements***

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

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contract; indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute and unless substantially level or declining annual debt service is authorized by the Town Board and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its bonds.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water, electric and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is by taking the assessed valuations of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7 per centum of the latest five-year average of the full valuation of all taxable real property.

## ***Statutory Procedure***

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

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

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

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

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

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

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

## ***Constitutional Debt Limit***

The following table sets forth the constitutional debt limit of the Town:

**TABLE 7**  
**Constitutional Debt Limit**

<u>Taxable Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2019	\$3,768,406,844	43.59%	\$8,645,117,788
2018	3,751,326,639	45.50	8,244,673,932
2017	3,740,246,317	47.25	7,915,865,221
2016	3,737,775,543	50.05	7,468,083,003
2015	3,903,620,108	50.09	<u>7,793,212,434</u>
Five-Year Average Full Valuation			\$7,719,988,875
Debt Limit 7% Thereof			\$540,399,221

Source: Town of Orangetown - Assessors Office.

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## Statement of Debt Contracting Power

**TABLE 8**  
**Statutory Debt Limit and Net Indebtedness**  
**(as of May 4, 2020)**

Five-Year Average Full Valuation		\$8,013,390,474
Debt Limit 7% Thereof		\$560,937,333
Inclusions:		
Outstanding Bonds	\$55,755,000	
Bond Anticipation Notes	<u>-</u>	
Total Inclusions	\$55,755,000	
Exclusions:		
Appropriations	\$ 1,005,000	
Water/Sewer Debt	<u>32,350,000</u>	
Total Exclusions	\$33,355,000	
Total Net Indebtedness		\$22,400,000
Net Debt Contracting Margin		\$538,537,333
Percentage of Debt Contracting Power Exhausted		3.99%

### ***Remedies Upon Default***

No principal of or interest payment on Town indebtedness is past due.

### **Constitutional Provisions**

The State constitution provides that if at any time the appropriating authorities fail to make the required appropriations for the annual debt service on bonds and certain other obligations of the issuer, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied for such purposes and that the fiscal officer of the issuer may be required to set apart and apply such revenues as aforesaid at the suit of any holder of such obligations.

This Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

### **Statutory Provisions**

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by a Town upon any judgment or accrued claim against such Town shall not exceed 9% 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 Town may not be enforced by levy and execution against property owned by the Town.

The Federal Bankruptcy Code allows recourse to the protection of a Federal Court by public bodies such as the Town 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 Town) to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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 grounds 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 obligation.

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

## ***Bond Authorizations***

Other than the resolutions issued authorizing the Bonds, the Town Board has no other authorized but unissued debt.

## ***Bond Anticipation Notes***

The Town currently has no bond anticipation notes outstanding.

## ***Tax and Revenue Anticipation Notes***

During the past five years, the Town's cash flow has been sufficient to meet operating requirements, and the Town has not found it necessary to issue tax or revenue anticipation notes.

## ***Trend of Outstanding Indebtedness***

The following table provides information relating to the capital indebtedness outstanding at year end for the last five audited fiscal years:

**TABLE 9**  
**Outstanding Indebtedness**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Serial Bonds	\$70,466,001	\$69,080,002	\$68,097,502	\$63,805,002	\$64,302,564
New York State EFC Loans	-	1,500,000	1,500,000	1,484,000	954,000
Revenue Bonds (Housing)*	1,400,288	1,261,680	1,131,925	6,770,000	6,425,000
Bond Anticipation Notes	-	-	-	-	-
Totals	<u>\$71,866,229</u>	<u>\$71,841,682</u>	<u>\$70,729,427</u>	<u>\$72,059,002</u>	<u>\$71,681,564</u>

\*The Town has guaranteed the debt of the Orangetown Housing Authority.

Source: Town of Orangetown, Fiscal Year End December 31, 2014-2018 Comprehensive Annual Financial Reports.

## ***Direct and Overlapping Indebtedness***

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate unit's total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

**TABLE 10**  
**Statement of Overlapping Indebtedness**

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable To Town</u>
Rockland County Villages	\$462,819,000	20.06%	\$ 92,841,491
Nyack	6,855,000	96.20%	6,594,510
Piermont	2,501,139	100.00%	2,501,139
South Nyack	1,290,000	100.00%	1,290,000
School Districts			
Nanuet UFSD	25,315,000	27.15%	6,873,023
Nyack UFSD	16,060,000	40.98%	6,581,388
Pearl River CSD	20,325,000	100.00%	20,325,000
South Orangetown CSD	12,080,000	100.00%	<u>12,080,000</u>
Total Net Overlapping Debt			\$149,086,551

Source: Town's Comprehensive Audited Financial Statements for the fiscal year ending December 31, 2018.

## Debt Ratios

The following table presents certain debt ratios relating to the Town's net direct and overlapping indebtedness as of May 4, 2020:

**TABLE 11**  
**Debt Ratios**  
(as of May 4, 2020)

	<u>Amount</u>	<u>Debt Per Capita<sup>1</sup></u>	<u>Debt to Full Value<sup>2</sup></u>
Net Direct Debt	\$ 22,400,000	\$ 445	0.26%
Net Overlapping Debt	\$149,086,551	\$2,960	1.72%
Net Direct and Overlapping Debt	\$171,486,551	\$3,405	1.98%

(1) The population of the Town is estimated at 50,365 as of the 2013-2017 American Community Survey 5-Year Average, U.S. Census Bureau.

(2) The Town's full value of taxable real property for 2019 is \$8,645,117,788.

Source: NYS - Office of the State Comptroller, Town of Orangetown Assessors' Office.

## Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness for future fiscal years ending December 31, exclusive of economically defeased debt obligations:

**TABLE 12**  
**Bond Principal and Interest Requirements**

<u>FYE Dec. 31</u>	<u>Principal</u>	<u>Interest</u>	<u>EFC Subsidy</u>	<u>Total Debt Service</u>
2020	\$ 4,300,000	\$ 2,111,748	\$ 704,631	\$ 5,707,117
2021	4,410,000	1,961,501	667,329	5,704,172
2022	4,515,000	1,810,342	629,099	5,696,243
2023	4,640,000	1,654,556	589,941	5,704,615
2024	4,370,000	1,493,883	549,798	5,314,085
2025	3,515,000	1,355,719	513,041	4,357,678
2026	3,600,000	1,232,620	479,841	4,352,779
2027	2,890,000	1,105,084	445,948	3,549,136
2028	2,980,000	995,603	411,308	3,564,295
2029	3,050,000	884,428	375,920	3,558,508
2030	2,845,000	775,908	339,785	3,281,123
2031	2,675,000	671,169	302,903	3,043,266
2032	2,740,000	567,116	265,220	3,041,896
2033	2,495,000	464,443	226,737	2,732,706
2034	1,860,000	374,906	187,453	2,047,453
2035	1,900,000	294,630	147,315	2,047,315
2036	1,940,000	212,646	106,323	2,046,323
2037	1,985,000	128,847	64,424	2,049,423
2038	2,025,000	43,234	21,617	2,046,617
Totals:	\$58,735,000	\$18,138,383	\$7,028,633	\$69,844,750

Notes: Excludes Housing Authority Revenue Bonds.

Source: Town of Orangetown.

*(The remainder of this page was intentionally left blank.)*

***Town of Orangetown Housing Authority***

The following table sets forth the total debt service payments required to be made on the Orangetown Housing Authority’s Bonds by the Town, for future fiscal years ending December 31. The Authority’s debt is guaranteed by the Town.

**TABLE 13**  
**Total Orangetown Housing Authority Debt**  
**Service Requirements**

<u>December 31:</u>	<u>Total Debt Service</u>
12/31/2020	\$539,575
12/31/2021	551,713
12/31/2022	548,238
12/31/2023	551,856
12/31/2024	547,175
12/31/2025	546,275
12/31/2026	548,975
12/31/2027	549,575
12/31/2028	547,400
12/31/2029	548,400
12/31/2030	249,700
12/31/2031	163,600
12/31/2032	164,313
12/31/2033	<u>159,938</u>
	\$6,216,730

Source: Town of Orangetown.

**ECONOMIC AND DEMOGRAPHIC DATA**

***Population***

The following table presents population trends for the Town, County and State, based upon recent census data:

**TABLE 14**  
**Population Trend**

	<u>2000</u>	<u>2010</u>	<u>2017</u>
Town	47,711	49,212	50,365
County	286,753	311,687	325,027
State	18,976,457	19,378,102	19,798,228

Source: 2000-2010 U.S. Censuses, 2013-2017 American Community Survey 5-Year Estimate, US Census Bureau.

***Income***

The following table presents per capita money income for the Town, County and State:

**TABLE 15**  
**Per Capita Money Income**

	<u>2000</u>	<u>2010</u>	<u>2017</u>
Town	\$33,170	\$40,401	\$49,876
County	28,082	34,304	36,898
State	23,389	30,948	35,752

Source: 2000-2010 U.S. Censuses, 2013-2017 American Community Survey 5-Year Estimate, US Census Bureau.

**TABLE 16**  
**Median Family Income**

	<u>2000</u>	<u>2010</u>	<u>2017</u>
Town:	\$87,341	\$117,199	\$126,879
County:	78,806	96,836	104,232
State:	51,691	67,405	77,141

Source: 2000-2010 U.S. Censuses, 2013-2017 American Community Survey 5-Year Estimate, US Census Bureau.

***Employment and Unemployment***

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town:

**TABLE 17**  
**Large Commercial and Industrial Employers In the Town**

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Nyack Hospital	Hospital	1,693
Rockland Psychiatric Center	Health Services	1,293
Pfizer	Pharmaceutical	800
Orange and Rockland Utilities	Public Utility	817
Camp Venture	Health Services	625
Lamont-Doherty Earth Observatory	Earth Sciences Research	480
Dominican College	Education	445
Aluf Plastics	Plastics Manufacturing	401
Active International	Commercial	390
Chromalloy New York	Fabricated Metal Products	315

Source: Rockland Economic Development Corporation.

**TABLE 18**  
**Civilian Labor Force**

	<u>2000</u>	<u>2010</u>	<u>2019</u>
Town	25,800	24,300	24,700
County	144,000	150,000	155,200
State	9,133,900	9,595,400	9,514,400

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

**TABLE 19**  
**Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2010	7.3%	7.5%	8.6%
2011	7.0	7.1	8.3
2012	7.1	7.3	8.5
2013	6.2	6.3	7.7
2014	5.0	5.2	6.3
2015	4.4	4.5	5.3
2016	4.1	4.2	4.9
2017	4.4	4.3	4.7
2018	3.9	3.7	4.1
2019	3.6	3.6	4.0

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

Additionally, there are several projects that have been recently completed or are under development that have added or will add to the non-Homestead/Commercial tax base. These projects include the following:

- a 100,000 sq. ft. world class data center for Bloomberg, LP was completed in 2015 – employeeding 160 people;
- a new 160 unit senior housing project by The Pointe (construction began in 2015 and continues with phase 2);
- Creston Electronics has relocated to a 193,000 square foot building in the Town and now employs 300 people;
- JP Morgan Chase purchased 60 acres from the Town for \$7.5 million. They began demolition of the site in 2017 and construction began on a 200,000 sq. ft. data center in late 2018. The building is largely complete as of the end of 2019.

### ***Financial Institutions***

There are several financial institutions in the Town including branches of JPMorgan Chase Bank, Citibank, M&T Bank, HSBC Bank, Key Bank, Sterling National, and TD Bank.

### ***Communication***

The Town is served by the major New York metropolitan area newspapers, radio, and television stations. TKR Cable T.V. provides cable television service to the Town.

### ***Utilities***

Electricity and natural gas are supplied to the Town by Orange & Rockland Utilities, Inc. and water is supplied by the United Water Company. Sanitary sewer facilities are provided to over 95% of the Town residents through special assessment sewer benefit areas. The balance of the Town utilizes septic systems. Police protection is provided by the Town Police Department. Fire protection is provided by five fire districts and by village fire departments located within the Town. Telephone service is provided by Bell Atlantic.

### ***Transportation***

Rail transportation is provided by the New Jersey Transit System (passenger service) and the West Shore Division of CSX (freight service). Highways serving the Town include the Palisades Interstate Parkway, New York State Route 9W and various County and Town roads. The New York State Thruway and the Garden State Parkway are located to the north and west, respectively, with readily accessible interchanges. The Town is less than a 90-minute drive from the three major airports that serve the New York City area (Kennedy, LaGuardia, and Newark). Air transportation is also provided by Stewart International Airport in Newburgh, New York and Westchester County Airport.

### ***Education***

There are numerous colleges, universities and vocational schools located throughout the County. Rockland Community College offers two-year associate degree and one-year certificate programs. Dominican College and St. Thomas Aquinas College are four-year independent liberal arts colleges. Empire State College/SUNY, Iona College – Rockland Campus and Long Island University – Rockland Campus, all offer graduate programs.

**End of Appendix A**



**APPENDIX B**

**BUDGET AND FINANCIAL STATEMENT SUMMARIES**

**TOWN OF ORANGETOWN, NEW YORK**  
 Comparative Balance Sheet - General Fund  
 Fiscal Years Ending December 31:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019<sup>(1)</sup></u>
<u>Assets:</u>						
Cash and Equivalents	\$3,069,905	\$3,774,465	\$3,646,895	\$10,883,604	\$6,767,870	\$7,503,166
Accounts Receivable	351,179	392,009	532,287	344,056	421,211	413,889
Due From Other Governments	468,894	494,117	493,962	512,368	1,335,697	508,092
Advances to Other Funds	5,904,378	-	-	-	-	5,202,007
Prepaid Expenditures	268,573	325,302	287,767	308,717	267,044	203,473
State and Federal Aid	-	-	-	-	-	-
Total Assets	<u>\$11,317,999</u>	<u>\$6,772,834</u>	<u>\$7,591,486</u>	<u>\$15,138,989</u>	<u>\$8,791,822</u>	<u>\$13,830,627</u>
<u>Liabilities and Fund Balance:</u>						
<u>Liabilities</u>						
Accounts Payable	\$309,529	\$362,844	\$522,926	\$729,427	\$425,050	\$658,208
Accrued Liabilities	-	-	6,350	6,734	11,718	63,691
Due to Other Governments	332,714	361,596	393,230	702,356	751,211	810,253
Due To Other Funds	1,881,919	1,899,500	1,948,743	1,718,783	12,129	152,232
Unearned revenues	-	-	-	-	-	762,088
Total Liabilities	<u>\$2,524,162</u>	<u>\$2,623,940</u>	<u>\$2,871,249</u>	<u>\$3,154,300</u>	<u>\$1,200,108</u>	<u>\$2,446,472</u>
<u>Fund Balance</u>						
Nonspendable	\$6,172,951	\$325,302	\$287,797	\$308,717	\$267,044	\$5,405,480
Restricted	-	26,331	204	3,629,326	236	236
Committed	-	-	-	-	-	-
Assigned	121,618	46,166	47,867	786,717	1,106,588	1,322,986
Unassigned	2,499,268	3,751,095	4,384,399	7,256,929	6,217,846	4,655,453
Total Fund Balance <sup>(2)</sup>	<u>\$8,793,837</u>	<u>\$4,148,894</u>	<u>\$4,720,267</u>	<u>\$11,981,689</u>	<u>\$7,591,714</u>	<u>\$11,384,155</u>
Total Liabilities and Fund Balance <sup>(2)</sup>	<u>\$11,317,999</u>	<u>\$6,772,834</u>	<u>\$7,591,516</u>	<u>\$15,138,989</u>	<u>\$8,791,822</u>	<u>\$13,830,627</u>

(1) Unaudited.

(2) The Town's Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2015 reflects the reclassification of \$6,052,007 in cash advances from the General Fund to the Enterprise Golf Course Funds. The repayment of these cash advances was uncertain, therefore a loan receivable and an offsetting allowance for uncollectable inter-fund loans was recorded in the General Fund which resulted in a reduction of the 2015 Fund Balance by \$6,052,007. The Enterprise Golf Course Funds made \$850,000 in loan repayments between 2016 through 2019 to the General Fund, demonstrating the General Fund's ability to collect on those cash advances. The 2019 General Fund allowance for uncollectible inter-fund loan balance of \$5,202,007 was deemed collectable based on four consecutive years of repayment. The Town now anticipates that these advances will be repaid in full over time. The 2019 uncollectible inter-fund loans balance of \$5,202,007 will be restated resulting in an increase in the General Fund's Fund Balance (nonspendable) by \$5,202,007 for the Fiscal Year Ended December 31, 2019.

Source: Town of Orangetown, Audited Financial Statements for Fiscal Years Ending 12/31 (2014-2018) and Annual Update Document for Fiscal Year

**TOWN OF ORANGETOWN, NEW YORK**

Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund  
Fiscal Years Ending December 31:

	2014	2015	2016	2017	2018	2019 <sup>(1)</sup>
<u>Revenues:</u>						
Real Property Taxes	\$3,346,274	\$3,422,007	\$3,051,018	\$3,173,431	\$1,965,784	\$2,762,632
Other Tax Items	35,202	39,311	34,949	2,009,154	1,613,884	123,196
Non Property Taxes	2,442,052	2,489,107	2,675,319	2,603,135	2,590,116	2,735,197
Departmental Income	828,343	839,824	748,688	782,694	789,228	794,720
Use of Money and Property	184,877	172,660	172,863	199,825	229,165	329,062
Licenses and Permits	176,954	312,299	243,539	110,703	406,164	352,102
Fines and Forfeitures	368,357	378,781	385,764	496,948	460,384	449,612
Miscellaneous	6,499	20,691	264,729	264,282	270,020	194,777
Interfund Revenues	3,278,500	3,278,500	3,150,355	3,217,162	3,456,264	3,768,276
Federal Aid	-	90,000	123,000	127,000	35,000	
State Aid	1,386,961	1,954,425	1,789,224	2,173,222	1,896,256	1,488,884
Total Revenues	<u>\$12,054,019</u>	<u>\$12,997,605</u>	<u>\$12,639,448</u>	<u>\$15,157,556</u>	<u>\$13,712,265</u>	<u>\$12,998,458</u>
<u>Expenditures:</u>						
General Government Support:	\$4,793,775	\$11,019,941	\$5,165,962	\$7,532,916	\$6,795,887	\$6,879,942
Public Safety	157,131	232,793	339,570	283,973	245,026	186,055
Health	35,183	35,183	39,833	39,833	39,833	39,833
Transportation	497,768	529,709	482,088	450,532	497,374	497,071
Economic Opportunity and Development	175,594	184,529	185,288	185,378	189,893	192,250
Culture and Recreation	2,517,833	2,322,045	2,382,005	2,912,767	2,609,415	2,421,848
Home and Community Services	175,950	165,178	129,706	139,860	160,324	206,686
Employee Benefits	3,083,287	3,153,170	3,386,015	3,722,224	3,917,669	3,937,967
Total Expenditures	<u>\$11,436,521</u>	<u>\$17,642,548</u>	<u>\$12,110,467</u>	<u>\$15,267,483</u>	<u>\$14,455,421</u>	<u>\$14,361,652</u>
<u>Excess (Def) of Revenues</u> <u>&amp; Other Sources Over Expenditures</u>	<u>\$617,498</u>	<u>(\$4,644,943)</u>	<u>\$528,981</u>	<u>(\$109,927)</u>	<u>(\$743,156)</u>	<u>(\$1,363,194)</u>
<u>Other Financing Sources (Uses):</u>						
Sale of Real Property	\$10,360	\$ -	\$42,362	\$7,500,000	\$15,835	\$1,000
Operating Transfers Out	-	-	-	(128,621)	(3,662,654)	(247,372)
Total Other Financing Sources (Uses)	<u>\$10,360</u>	<u>\$ -</u>	<u>\$42,362</u>	<u>\$7,371,379</u>	<u>(\$3,646,819)</u>	<u>(\$246,372)</u>
<u>Excess (Def) of Rev. and Other Sources</u> <u>Over Expenditures and Other Uses</u>	<u>\$627,858</u>	<u>(\$4,644,943)</u>	<u>\$571,343</u>	<u>\$7,261,452</u>	<u>(\$4,389,975)</u>	<u>(\$1,609,566)</u>
<u>Fund Balance-Beginning of Year</u> <sup>(2)</sup>	<u>\$8,165,979</u>	<u>\$8,793,837</u>	<u>\$4,148,894</u>	<u>\$4,720,237</u>	<u>\$11,981,689</u>	<u>\$12,993,721</u>
<u>Fund Balance-End of Year</u> <sup>(2)</sup>	<u>\$8,793,837</u>	<u>\$4,148,894</u>	<u>\$4,720,237</u>	<u>\$11,981,689</u>	<u>\$7,591,714</u>	<u>\$11,384,155</u>

(1) Unaudited.

(2) The Town's Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2015 reflects the reclassification of \$6,052,007 in cash advances from the General Fund to the Enterprise Golf Course Funds. The repayment of these cash advances was uncertain, therefore a loan receivable and an offsetting allowance for uncollectable inter-fund loans was recorded in the General Fund which resulted in a reduction of the 2015 Fund Balance by \$6,052,007. The Enterprise Golf Course Funds made \$850,000 in loan repayments between 2016 through 2019 to the General Fund, demonstrating the General Fund's ability to collect on those cash advances. The 2019 General Fund allowance for uncollectible inter-fund loan balance of \$5,202,007 was deemed collectable based on four consecutive years of repayment. The Town now anticipates that these advances will be repaid in full over time. The 2019 uncollectible inter-fund loans balance of \$5,202,007 will be restated resulting in an increase in the General Fund's Fund Balance (nonspendable) by \$5,202,007 for the Fiscal Year Ended December 31, 2019.

Source: Town of Orangetown, Audited Financial Statements for Fiscal Years Ending 12/31 (2014-2018) and Annual Update Document for Fiscal Year Ending 12/31/2019. Summary itself is not audited.

**TOWN OF ORANGETOWN, NEW YORK**  
Statement of Budgeted Revenues and Expenditures - General Fund  
Adopted Budgets for Fiscal Years Ending December 31:

	Adopted Budget <u>2019</u>	Adopted Budget <u>2020</u>
<b>Revenues:</b>		
Real Property Taxes	\$2,753,199	\$3,098,300
Non-Property Tax Items	2,500,000	2,550,000
Departmental Income	257,000	254,000
Public Safety	100	20
Culture & Recreation	595,000	615,000
Use of Money and Property	397,500	328,675
Licenses & Permits	388,300	323,800
Fines and Forfeitures	400,000	425,000
Miscellaneous	104,433	90,685
State Aid	1,690,000	1,790,000
Other Culture & Recreation	20,500	25,000
Appropriated Fund Balance	1,000,000	1,200,000
Interfund Revenues	<u>4,068,276</u>	<u>4,543,602</u>
<b>Total Revenues and Appropriated Fund Balance</b>	<u><u>\$14,174,308</u></u>	<u><u>\$15,244,082</u></u>
<b>Expenditures:</b>		
General Government Support	\$6,178,017	\$7,029,746
Police & Public Safety	213,360	208,360
Health	39,833	39,833
Transportation	532,495	566,245
Economic Assistance & Opportunity	197,500	201,500
Culture & Recreation	2,547,194	2,436,906
Home & Community Service	155,429	167,429
Employee Benefits	4,201,359	4,465,161
Interfund Expenses	<u>109,121</u>	<u>128,902</u>
<b>Total Expenditures</b>	<u><u>\$14,174,308</u></u>	<u><u>\$15,244,082</u></u>

Source: Adopted Budgets of the Town.

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018  
and  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

**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/ES1412120.pdf>**

**The audited financial statements and annual update document referenced above are hereby incorporated into the attached Official Statement.**

**\* PKF O'Connor Davies, LLP has not commented on or approved this Official Statement, has not been requested to perform any procedures on the information in its included report since its date and has not been asked to consent to the inclusion of its report in this Official Statement.**

**APPENDIX D**

**FORMS OF BOND COUNSEL'S OPINIONS**

May 21, 2020

Town of Orangetown,  
County of Rockland,  
State of New York

TOWN OF ORANGETOWN, ROCKLAND COUNTY, NEW YORK  
\$ \_\_\_\_\_ PUBLIC IMPROVEMENT (SERIAL) BONDS, 2020 SERIES A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$ \_\_\_\_\_ Public Improvement (Serial) Bonds, 2020 Series A (the "Obligations"), of the Town of Orangetown, Rockland County, New York (the "Obligor"), dated May 21, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ centum (\_\_\_\_%) per annum as to bonds maturing in each of the years 20\_\_ to 20\_\_, both inclusive, payable on May 15, 2021 and semi-annually thereafter on November 15 and May 15, and maturing in the amount of \$ \_\_\_\_\_ on May 15, 20\_\_ and \$ \_\_\_\_\_ on May 15 in each of the years 20\_\_ to 20\_\_, both inclusive.

The Obligations maturing on or before May 15, 2028 will not be subject to redemption prior to maturity. The Obligations maturing on or after May 15, 2029 will be subject to redemption prior to maturity at the option of the Town, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity) on any date on or after May 15, 2028 at par, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained

therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.



The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

June 18, 2020

Town of Orangetown,  
County of Rockland,  
State of New York

TOWN OF ORANGETOWN, ROCKLAND COUNTY, NEW YORK  
\$ \_\_\_\_\_ REFUNDING (SERIAL) BONDS, 2020 SERIES B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$ \_\_\_\_\_ Refunding (Serial) Bonds, 2020 Series B (the "Obligations"), of the Town of Orangetown, Rockland County, New York (the "Obligor"), dated June 18, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ centum (\_\_\_\_%) per annum as to bonds maturing in each of the years 20\_\_ to 20\_\_, both inclusive, payable on September 15, 2020 and semi-annually thereafter on March 15 and September 15, and maturing in the amount of \$ \_\_\_\_\_ on September 15, 20\_\_ and \$ \_\_\_\_\_ on September 15 in each of the years 20\_\_ to 20\_\_, both inclusive.

We have examined:

- (2) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness

or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP