

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 16, 2020

**NEW ISSUE
BOOK-ENTRY-ONLY BONDS**

**RATING: SEE “RATING” HEREIN
SERIAL BONDS**

In the opinion of Miller, Mannix, Schachner & Hafner, LLC, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See “TAX MATTERS” herein.

The Town WILL designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

**TOWN OF QUEENSBURY
WARREN COUNTY, NEW YORK**

\$1,293,400*

**PUBLIC IMPROVEMENT SERIAL BONDS – 2020
(the “Bonds”)**

Dated Date: Date of Delivery

Maturity Dates: June 15, 2021-2045

The Bonds are general obligations of the Town of Queensbury, Warren 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 certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “*Tax Levy Limit Law*” herein.)

The 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 Bonds, payable semiannually on June 15 and December 15 in each year until maturity, commencing December 15, 2020. The Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity. (See “*Optional Redemption*” herein.)

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof, except for a necessary odd denomination in the first maturity of the Bonds. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the 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 Bonds are offered when, as and if issued and received by the purchasers and subject to the receipt of the final approving opinion of Miller, Mannix, Schachner & Hafner, LLC, Glens Falls, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the Town in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the offices of DTC on or about July 9, 2020.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”). FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE “*DISCLOSURE UNDERTAKING*” HEREIN.

Dated: June __, 2020

* Preliminary, subject to change.

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

The Bonds will mature on June 15, subject to optional redemption, in each year as set forth below:

<u>Date</u>	<u>Amount⁽¹⁾</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2021	\$43,400			
2022	45,000			
2023	45,000			
2024	45,000			
2025	45,000			
2026	45,000			
2027	45,000			
2028	50,000			
2029 ⁽²⁾	50,000			
2030 ⁽²⁾	50,000			
2031 ⁽²⁾	50,000			
2032 ⁽²⁾	50,000			
2033 ⁽²⁾	50,000			
2034 ⁽²⁾	50,000			
2035 ⁽²⁾	50,000			
2036 ⁽²⁾	55,000			
2037 ⁽²⁾	55,000			
2038 ⁽²⁾	55,000			
2039 ⁽²⁾	55,000			
2040 ⁽²⁾	55,000			
2041 ⁽²⁾	60,000			
2042 ⁽²⁾	60,000			
2043 ⁽²⁾	60,000			
2044 ⁽²⁾	60,000			
2045 ⁽²⁾	65,000			

- (1) The principal amounts of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.
- (2) The Bonds maturing in the years 2029 and thereafter will be subject to optional redemption prior to maturity, as described herein. (See “*Optional Redemption*” herein.)

**TOWN OF QUEENSBURY
WARREN COUNTY, NEW YORK**

TOWN BOARD

JOHN STROUGH
Supervisor

George Ferone.....Councilman

Harrison FreerCouncilman

Anthony Metivier.....Councilman

Barbara TierneyTown Budget Officer

Joanne WatkinsTown Accountant

Caroline BarberTown Clerk/Receiver of Taxes

Chris HarringtonWater Superintendent/Director of Wastewater

BOND COUNSEL
MILLER, MANNIX, SCHACHNER & HAFNER, LLC
Glens Falls, New York

MUNICIPAL ADVISOR
CAPITAL MARKETS ADVISORS, LLC
Great Neck, New York
(516) 364-6363

No dealer, broker, salesman or other person has been authorized by 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 other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT
TOWN OF QUEENSBURY
WARREN COUNTY, NEW YORK

relating to
\$1,293,400*
PUBLIC IMPROVEMENT SERIAL BONDS – 2020

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Queensbury, in the County of Warren, in the State of New York (the “Town”, “County” and “State,” respectively) in connection with the sale of \$1,293,400* Public Improvement Serial Bonds – 2020 (the “Bonds”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the 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 Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable semiannually on June 15 and December 15 in each year until maturity, commencing December 15, 2020. The Bonds shall mature on June 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in the year 2029 and thereafter are subject to optional redemption prior to maturity. (See “*Optional Redemption*” herein).

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

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the Town Law, the Local Finance Law and a bond resolution duly adopted by the Town Board on January 22, 2018 authorizing the issuance of not to exceed \$1,919,949 serial bonds to pay the cost of acquisition, construction, and installation of improvements to the Carey Road Sewer District (the “Project”). A portion of the proceeds from the sale of the Bonds in the amount of \$1,293,400, together with \$206,600 in available funds, will be used to redeem the Town’s \$1,500,000 Bond Anticipation Notes – 2019 Series B which mature on September 12, 2020, and may be redeemed in whole or in part at any time upon fifteen days’ written notice to the registered owner.

* Preliminary, subject to change.

Optional Redemption

The Bonds maturing on or before June 15, 2028 will not be subject to redemption prior to maturity. The Bonds maturing on or after June 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 June 15, 2028 at par, plus accrued interest to the date of redemption.

If less than all of the 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).

Nature of Obligation

The Bonds when duly issued and paid for will constitute a contract between the Town and the holder thereof.

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. For the payment of such principal of and interest on the Bonds, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein.)

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 the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Town’s power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See “*Tax Levy Limit Law*” herein.)

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to

obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an ad valorem tax, upon all taxable property of the Town subject to taxation by the Town sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

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

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

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

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

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

No Past Due Debt

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

MUNICIPAL BANKRUPTCY

The undertakings of the Town should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the Town could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Town after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance

corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

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 above references to the Bankruptcy Act are not to be construed as an indication that the Town is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

Pursuant to Article IX Section 2(b)(2) of the State Constitution, any municipality 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 in certain cases approve or disapprove collective bargaining agreements. Implementation is generally 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, upon the issuance of a certificate of necessity of the Governor reciting facts which in the judgment of the 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 a 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 in the finances and operations of entities 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 anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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).

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 redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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 to DTC.

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

MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE

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

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

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to their maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political

subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. The Town’s receipt of State aid may be delayed as a result of the State’s failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law (“LFL”) to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” herein.)

In addition, in some recent years, the Town’s receipt of State aid was delayed as a result of the County’s delay in disseminating State aid to towns within its borders, including the Town. If the County should further delay payments to the municipalities within its borders, including the Town, in this year or future years, the Town may be affected by such a delay.

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results by potentially delaying the receipt of real property taxes, or decreasing the amount of sales tax revenue the Town receives from the County, or decreasing water and wastewater revenues arising from decreases in use of services and/or business operations in the Town, or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the 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, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school

districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See “*State Aid*” herein).

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 carries insurance with coverage for cyber incidents or attacks and 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.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town. The Town has various Article 7 tax assessment lawsuits, which the Town is handling in the ordinary course and the Town does not believe they, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town. Two of the properties in litigation are included in the list of the ten highest taxpayers set forth above and are identified as Erie Boulevard and Walmart. If the Town were unable to reach reasonable settlements and were completely unsuccessful in its defense of these assessment challenges, the current refund liability with interest would likely be less than \$500,000. Depending on the assessment year, the combined assessment reductions demanded by Erie Boulevard and Walmart are approximately less than 1% of the Town’s total assessed valuation.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Miller, Mannix, Schachner & Hafner, LLC, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town and others in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

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

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or

supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

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

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner’s adjusted basis in a Discount

Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Obligation. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

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

Bond Premium

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

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

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

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest.

In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the respective approving legal opinions of Miller, Mannix, Schachner & Hafner, LLC, Glens Falls, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto in Appendix D.

DISCLOSURE UNDERTAKING

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

RATING

On June 16, 2020, Moody’s Investors Service, Inc. (“Moody’s”) affirmed the Town’s long-term, uninsured credit rating of “Aa2” and applied such rating to the Bonds.

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

MUNICIPAL ADVISOR

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

ADDITIONAL INFORMATION

Additional information may be obtained from Ms. Barbara Tierney, Town Budget Officer, 742 Bay Road, New York 12804, (518) 761-8240, or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 364-6363.

The Town will act as Paying Agent with respect to the Bonds issued in book-entry form. The Town Budget Officer should be used as the Paying Agent contact.

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.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the 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. The preparation and distribution of this Official Statement has been authorized by the Supervisor of the Town, as Chief Fiscal Officer thereof.

TOWN OF QUEENSBURY
WARREN COUNTY, NEW YORK

By: _____
John F. Strough
Supervisor

DATED: June __, 2020

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town, founded in 1763, is located in northeastern New York State. It is centrally located between New York City, Boston, Buffalo and Montreal. Its 70.6 square mile land area stretches from the shore of Lake George to the beautiful Hudson River. The Town has a population of 27,471 (2018 American Community Survey 5-Year Estimate) and is one of the region's fastest growing communities.

The Town is the home of SUNY Adirondack and is within a fifty mile drive of Rensselaer Polytechnic Institute, Union College, College of St. Rose, College of St. Joseph in Vermont, Russell Sage and the State University of New York at Albany.

Cultural and recreational activities are plentiful throughout the Town. Some examples include West Mountain Ski Area, Aviation Mall, Gurney Lane Recreational Area, The Adirondack Balloon Festival and The Great Escape/Splashwater Kingdom, which opened in 1955 as Storytown, USA, one year before Disneyland.

Employment opportunities are available within, and in close proximity to the Town. The service industries catering to sportsmen and tourists in the Adirondack and Lake George regions also offer career opportunities to residents. Its close proximity to several Adirondack Mountain ski areas and resorts contributes to the Town's economy and tax base by providing seasonal employment.

Interstate Highway #87 (Northway) runs through the Town. Other major highways serving the Town include U.S. Route # 9, New York State Route #9N and County Route # 4. Both I-87 and U.S. #9 connect the Town with Albany, where access to the New York State Thruway is available. Air transportation is provided by the Albany County International Airport and the Floyd Bennett Memorial Airport.

Population Trends

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
1990	22,630	59,209	17,990,455
2000	25,441	63,303	18,976,457
2010	27,763	65,707	19,378,102
2018	27,471	64,265	19,542,209

Source: U. S. Census Bureau; 2014-2018 American Community Survey 5-Year Estimate

Income

Per capita income statistics are available for the Town, County and State.

	<u>Per Capita Income</u>		
	<u>1990</u>	<u>2000</u>	<u>2018</u>
Town	\$16,639	\$24,096	\$37,549
County	14,378	20,727	33,605
State	16,501	23,389	37,470

Source: U.S. Census Bureau; 2014-2018 American Community Survey 5-Year Estimate.

Major Employers

The Town enjoys a significant diversified economic base. Major employers located within the Town are as follows:

<u>Employer</u>	<u>Business</u>	<u>Approximate Employment</u>
Becton, Dickinson & Co. (BD)	Medical Devices	900
Angiodynamics	Medical Devices	800
Hudson Headwaters Health Network	Health Care	650
Gracenote, Inc.	Media Entertainment Data	400
Wal-Mart	Discount Retail & Grocery Store	400
Warren/Washington Arc	Human Services	578
Great Escape Theme Park LLC	Amusement Park	265

Form of Town Government

The chief executive officer and the chief fiscal officer of the Town is the Supervisor who is elected to a term of two years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to two-year terms. There is no limitation as to the number of terms which may be served by members of the Town Board.

The Town Clerk is elected for a four-year term and is responsible for the collection of taxes. The Town Board appoints a Zoning Board, Planning Board, and other boards to oversee Town functions.

Financial Organization

The Supervisor is responsible for all financial and budgetary transactions of the Town. The duties include administration, direction and control of the following divisions: Accounting, Purchasing, Accounts Payable, Accounts Receivable, Audit and Control, Budgeting, and Payroll/Personnel as specified in New York State Town Law. The Supervisor has assigned these responsibilities to the Town Budget Officer as provided by New York State Town Law Article 3 Section 34.

Budgetary Procedures

The Supervisor prepares a tentative budget each year and files the tentative budget with the Town Clerk. The Town Clerk submits the tentative budget to the Town Board by October 5, for possible amendments. The Town Board then holds a public hearing thereon. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town; and, (9) the New York Cooperative Liquid Assets Security System ("NYCLASS") investment fund. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Town has designated Glens Falls National Bank and Trust Company as a depository.

State Aid

The Town receives financial assistance from the State. In its General Fund budget for the 2019 fiscal year, approximately 6.6% of the operating revenues of the Town is expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

Employees

The Town employs approximately 125 full-time and 150 seasonal part-time employees. Certain employees are represented by the following union:

<u>Union</u>	<u>Employees</u>	<u>Expiration</u>
CSEA – Local 1000	75	December 31, 2023

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement 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 five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution become voluntary. Members hired after January 1, 2010 must contribute 3%, or more of their gross annual salary toward the cost of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law legislation enacting a new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 pension program provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age, as noted above, 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 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with

the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year are based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. The law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town has prepaid its employer contributions each December since 2006.

Beginning July 1, 2013, a voluntary defined contribution plan option will be made available to all unrepresented employees of NYS public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

Employer contribution rates for the State’s Retirement System continue to be higher than the minimum contribution rate established by law. Contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town has never amortized its pension payments and has no plans to do so in the foreseeable future.

In Spring 2013, the State and ERS approved a Stable Contribution Option (“SCO”), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). The plan authorizes municipalities to pay the SCO amount in lieu of the ARC amount. The Town will not be participating in the modified ERS SCO plan at this time.

On August 29, 2018, the State Comptroller announced for Fiscal Year 2019-20, the average contribution rate for ERS decreasing from 14.9% to 14.6%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employer’s salary base during the period of April 1, 2019 through March 31, 2020. Payments based on those rates were due by February 1, 2020, but may be prepaid by December 15, 2019.

The Town’s audited contributions to the ERS for the past five fiscal years, the 2019 unaudited amount and the 2020 budgeted amount are as follows:

<u>Year</u>	<u>ERS</u>
2014	\$1,127,935
2015	1,054,148
2016	941,050
2017	905,097
2018	896,415
2019 (Unaudited)	909,430
2020 (Budgeted)	1,016,000

Other Post Employment Benefits

The Town implemented GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), which replaces GASB Statement No. 45 as of fiscal year ended December 31, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits (“OPEB”). GASB 75 generally requires

that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

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

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

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

The number of participants entitled to OPEB benefits as of December 31, 2018 was as follows:

Active Employees	121
Retired Employees	74
Total	195
OPEB Liability Beginning of Year	\$47,122,308
Changes for the Year	
Service Cost	2,107,920
Interest	1,597,479
Assumption Changes	(4,665,441)
Difference Between Actual & Expected Experience	-
Change in Actuarial Cost Method	-
Benefit Payments	<u>(1,367,937)</u>
OPEB Liability End of Year	47,794,329

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Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is Warren County. The information set forth below with respect to Warren County is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that Warren County is necessarily representative of the Town, or vice versa.

Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic. (See “*Market Factors Affecting Financings of the State and Municipalities of the State*” herein.)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Warren County	5.5%	5.3%	5.3%	4.7%	4.6%
New York State	5.3%	4.9%	4.7%	4.1%	4.0%
United States	5.3%	4.9%	4.3%	3.9%	3.7%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted); Bureau of Labor Statistics.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Bonds are to be issued is the Town Law and the Local Finance Law.

No principal or interest upon any obligation of the Town is past due.

The fiscal year of the Town is the calendar year.

INDEBTEDNESS OF THE TOWN

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 otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town include the following:

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 contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent 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 bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "*Nature of Obligation*", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Chapter 97 of the New York Laws of 2011, as amended, imposes a statutory limitation on the Town's power to increase its annual tax levy. (See "*Tax Levy Limit Law*" herein).

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

Statutory Procedure

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

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Certain such resolutions are be subject to permissive referendum, or may be submitted to the Town voters at the discretion of the Town Board. If a bond resolution is submitted to the voters by the Town Board, then only a three-fifths vote of the Town Board is needed for adoption.

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

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits bond anticipation notes to be issued. Bond anticipation notes may be renewed each year, provided annual principal installment payments are made in reduction of the total amount of such notes, commencing no later than two years after the date of the first of such notes and provided that, other than for assessable projects, such renewals do not 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 "*Payment and Maturity*" under "*Constitutional Requirements*" herein.)

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

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes and budget and capital notes.

Debt Outstanding End of Fiscal Year

Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u> ⁽¹⁾
Bonds	\$10,599,632	\$10,892,020	\$10,191,644	\$ 9,480,285	\$ 8,754,661
Bond Anticipation Notes	<u>1,011,000</u>	<u>-</u>	<u>-</u>	<u>1,919,949</u>	<u>1,825,000</u>
Totals	\$11,610,632	\$10,892,020	\$10,191,644	\$11,400,234	\$10,579,661

(1) Unaudited.

Source: Audited Financial Statements of the Town.

Debt Statement Summary

Statement of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 16, 2020:

Five-Year Average Full Valuation of Taxable Real Property	\$3,734,663,052
Debt Limit - 7% thereof	\$261,426,414
Inclusions:	
Bonds	\$8,379,661
Bond Anticipation Notes	<u>1,500,000</u>
Total Inclusions	\$9,879,661
Exclusions:	
Water Debt	\$ 737,200
Appropriations	<u>374,910</u>
Total Exclusions	\$1,112,110
Total Net Indebtedness Subject to Debt Limit	<u>\$8,767,551</u>
Net Debt-Contracting Margin	\$252,658,863
Percent of Debt Contracting Power Exhausted	3.35%

(1) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.

Authorized but Unissued Debt

Following the issuance of the Bonds, the Town will no longer have any authorized but unissued debt.

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Long-Term Debt Service Schedule

Outstanding Debt and Debt Service Obligations Debt Service requirements to maturity as of December 31, 2019⁽¹⁾:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 749,910	\$ 229,608	\$ 979,518
2021	668,814	210,881	879,696
2022	680,467	194,815	875,282
2023	699,769	178,051	877,820
2024	521,520	160,251	681,771
2025	538,323	145,988	684,310
2026	555,178	131,147	686,325
2027	572,088	114,874	686,962
2028	589,053	98,586	687,639
2029	606,077	81,240	687,316
2030	618,159	62,822	680,982
2031	635,303	43,505	678,808
2032	575,000	24,088	599,088
2033	275,000	12,984	287,984
2034	230,000	4,414	234,414
2035	<u>240,000</u>	<u>2,675</u>	<u>242,675</u>
Totals	<u>\$8,754,661</u>	<u>\$1,695,929</u>	<u>\$10,450,590</u>

(1) Totals may not add due to rounding.

Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated outstanding indebtedness of such political subdivisions is as follows:

	<u>Outstanding</u> <u>Indebtedness</u>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Approximate %</u> <u>Within Town</u>	<u>Applicable Net</u> <u>Indebtedness</u>
County	\$39,865,000	\$4,386,242	\$35,478,758	38.33%	\$13,599,008
School Districts:					
Queensbury UFSD	53,212,903	495,000	52,717,903	100.00%	52,717,903
Lake George CSD	4,843,625	0	4,843,625	44.40%	2,150,570
Glens Falls City SD	19,150,000	2,305,000	16,845,000	28.57%	4,821,617
Hudson Falls CSD	39,539,000	0	39,539,000	0.90%	<u>355,851</u>
Total					\$73,635,948

Source: Recent Continuing Disclosure Filings, New York Office of the State Comptroller, New York Office of the State Comptroller.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness, without giving effect to this financing, as of June 16, 2020:

	<u>Amount</u>	<u>Per Capita⁽¹⁾</u>	<u>Percentage of Full Value⁽²⁾</u>
Net Indebtedness	\$ 8,767,551	\$ 319	0.23%
Indebtedness Plus Net Overlapping Indebtedness	82,403,499	3,000	2.17%

(1) The Town's 2018 population is 27,471. (See "Population Trends" herein.)

(2) The Town's full valuation of taxable real estate for 2020 is \$3,803,894,097. (See "Valuations" herein.)

TAX INFORMATION

Valuations

<u>Years Ending December 31:</u>	<u>Assessed Valuation of Taxable Real Property</u>	<u>NYS Equalization Rate</u>	<u>Full Valuation</u>
2016	3,583,879,693	100%	3,583,879,693
2017	3,713,494,163	100%	3,713,494,163
2018	3,764,190,619	100%	3,764,190,619
2019	3,807,856,687	100%	3,807,856,687
2020	3,803,894,097	100%	3,803,894,097

Source: The Town.

Tax Rate Per \$1,000 (Assessed) ⁽¹⁾

<u>Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund	\$0.585	\$0.591	\$0.539	\$0.521	\$0.521
Water Fund	0.343	0.322	0.319	0.289	0.284
Lighting	1.080	0.920	0.910	0.891	0.905
Other ⁽¹⁾	1.030	1.020	1.010	0.995	1.012

⁽¹⁾ Includes Fire Protection.

Source: The Town.

Tax Collection Procedure

Town and County taxes are due and payable to the Receiver of Taxes January 1, and can be paid without penalty until January 31st. For the month of February, a fee of 1% is added, as well as an additional fee of 1% for March. Unpaid taxes are returned to the County Commissioner of Finance on April 1st. The Town retains the total amount of Town, Highway and Special District Levies from the total collection and returns the balance plus the uncollected items to the County, which assumes responsibility. The Town thereby is assured of 100% tax collections. Responsibility for the collecting of unpaid taxes rests with the County.

For fiscal years commencing on January 1, 2018, the Queensbury Town Board authorized its Receiver of Taxes and Assessments to accept partial payments of real property taxes, special ad valorem levies and special assessments for Town and County Tax Collection under the following parameters: minimum bill amount of \$100.00; minimum payment of 25% of balance of taxes due; a \$5.00 surcharge per partial payment shall be imposed; and interest and penalties shall be charged against the unpaid balance only.

The Tax Levy Limitation Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the Town has been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Town for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town, without limitation as to rate or amount is subject to statutory limitations, according to the formulas set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, a local law to override such limit for such coming fiscal year. The Town's tax levy has never exceeded the cap imposed by the Law.

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

Tax Collection Record

<u>Years Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Tax Levy	\$25,500,964	\$25,522,782	\$26,422,743	\$25,590,809	\$26,459,907
Uncollected ⁽¹⁾	2,453,462	2,073,488	1,962,228	1,924,443	1,798,455
% Uncollected ⁽²⁾	9.62%	8.12%	7.43%	7.52%	6.80%

⁽¹⁾ See "Tax Collection Procedure" hereunder.

⁽²⁾ Although the Town experiences tax delinquencies on December 31st of each year, the Town receives the total levy from the County, thereby assuring the Town of 100% of the tax levy. See "Tax Collection Procedure", herein.

Ten Largest Taxpayers 2018

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Niagara Mohawk Power Corporation	Utility	\$78,344,467
Erie Boulevard Hydropower	Utility	53,483,300
HWP Development (Great Escape Lodge)	Commercial	19,458,000
Schermerhorn Warren I	Apartments	35,700,684
Aviation Mall Newco LLC	Commercial	15,449,000
Great Escape Theme Park	Commercial	19,123,100
Wal-Mart Real Estate	Commercial	20,920,756
Sch Cottage Hill LLC	Commercial	13,870,000
NMM GF Assoc. (Regency Apartments)	Apartments	11,400,000
Lowe's Home Centers, Inc.	Commercial	10,081,000

The ten largest taxpayers listed above have a total assessed valuation of \$247,826,976 representing 6.51% of the Town's total tax base.

Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and Senior Citizens' exemptions are offered to those who qualify.

The assessment roll of the Town is constituted approximately as follows: 70% Residential, 5% Commercial, and 25% Other.

The total property tax bill of a \$100,000 residential property located in the Town is approximately \$2,500 including County, Town, and School District taxes.

End of Appendix A

APPENDIX B

SUMMARY OF FINANCIAL STATEMENTS

TOWN OF QUEENSBURY
Statement of Revenues,
Expenditures and Changes in Fund Balance
General Fund
Fiscal Years Ended December 31:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Unaudited <u>2019</u>
Revenues:						
Real Property Taxes	\$1,732,469	\$1,762,030	\$2,072,230	\$2,109,377	\$1,951,345	\$1,964,011
Real Property Tax Items	82,921	81,650	84,581	83,341	77,341	78,106
Non-Property Tax Items	9,389,604	9,460,422	9,690,695	10,344,975	10,223,851	10,549,821
Departmental Income	504,086	451,718	493,636	488,063	495,302	507,447
Intergovernmental Charges	7,507	6,679	71	10	0	0
Use of Money and Property	27,369	20,084	16,945	18,473	17,329	15,777
Licenses and permits	191,079	181,860	177,155	153,244	215,023	291,741
Fines and Forfeitures	617,176	579,107	598,207	523,008	482,886	436,601
Sale of Property and Compensation for Loss	25,858	18,041	16,252	19,275	15,793	54,846
Miscellaneous Local Sources	10,527	8,341	10,158	13,001	17,730	29,730
Interfund Revenues	174,323	161,833	167,562	176,012	291,250	162,163
Sale of capital asset	6,000	0	0	0	0	0
State Aid	781,179	1,075,330	1,030,985	998,169	1,059,977	1,004,884
Federal Aid	0	0	0	0	0	0
Total Revenues	<u>\$13,550,098</u>	<u>\$13,807,095</u>	<u>\$14,358,477</u>	<u>\$14,926,948</u>	<u>\$14,847,827</u>	<u>\$15,095,126</u>
Expenditures:						
General Government Support	\$2,606,980	\$2,707,751	\$2,720,811	\$2,662,685	\$3,029,618	\$3,123,145
Public Safety	423,182	433,080	491,785	525,672	537,512	605,337
Health	7,520	12,920	11,830	12,288	12,410	12,484
Transportation	428,467	409,998	432,240	431,379	446,595	539,965
Economic assistance and opportunity	300,796	323,933	328,375	318,296	371,250	368,430
Culture and Recreation	960,835	987,870	1,023,956	1,078,965	1,244,947	1,260,925
Home & Community Services	547,718	555,440	613,303	603,903	607,630	667,170
Employee Benefits	2,174,564	2,225,354	2,204,974	2,209,744	2,351,583	2,502,839
Debt Service						
Principal	389,500	293,000	226,746	232,750	239,326	245,476
Interest	128,138	115,607	112,377	105,646	98,721	91,609
Capital Outlay						
General Government Support	182,973	80,378	104,442	113,609	0	0
Public Safety	38,001	38,754	13,373	36,053	0	0
Transportation	0	0	0	0	0	0
Culture and Recreation	11,448	11,405	39,666	46,737	0	0
Home and Community Service	45,308	45,174	26,432	190	0	0
Total Expenditures	<u>\$8,245,430</u>	<u>\$8,240,664</u>	<u>\$8,350,310</u>	<u>\$8,377,917</u>	<u>\$8,939,592</u>	<u>\$9,417,378</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,304,668</u>	<u>5,566,431</u>	<u>6,008,167</u>	<u>6,549,031</u>	<u>5,908,235</u>	<u>5,677,747</u>
Other Financing Sources (Uses)						
Operating transfers in	195,375	85,173	394,328	8,988	10,000	125
Operating transfers out	(4,528,065)	(4,449,500)	(4,798,673)	(8,600,023)	(5,561,240)	(6,282,246)
Total Other Financing Sources	<u>(4,332,690)</u>	<u>(4,364,327)</u>	<u>(4,404,345)</u>	<u>(8,591,035)</u>	<u>(5,551,240)</u>	<u>(6,282,121)</u>
Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses	971,978	1,202,104	1,603,822	(2,042,004)	356,995	(604,374)
Fund Balance - Beginning of Year	<u>8,817,898</u>	<u>9,789,876</u>	<u>10,991,980</u>	<u>12,595,802</u>	<u>9,927,704</u>	<u>10,284,699</u>
Fund Balance - End of Year	<u>\$9,789,876</u>	<u>\$10,991,980</u>	<u>\$12,595,802</u>	<u>\$10,553,798</u>	<u>\$10,284,699</u>	<u>\$9,680,325</u>

Source: Audited and Unaudited Financial Statements.

Note: This summary is NOT audited.

**TOWN OF QUEENSBURY
BALANCE SHEETS
Fiscal Years Ended December 31:**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Unaudited 2019</u>
Assets:						
Cash and Cash Equivalents	\$5,329,798	\$5,082,369	\$5,072,080	\$3,433,515	\$4,861,687	\$4,159,940
Receivables from Other Governments	2,928,772	3,031,724	2,984,656	3,039,814	2,276,098	2,265,272
Other Receivables, Net of Uncollectibles	299,029	274,700	272,826	268,535	239,970	284,024
Due From Other Funds	442,576	400,174	199,172	171,415	241,660	77,368
Prepaid Expenses	236,694	224,038	324,220	213,246	201,530	221,228
Other Assets	0	6,132	3,066	0	0	0
Cash and Cash Equivalents, Restricted	<u>1,782,181</u>	<u>3,535,025</u>	<u>4,865,531</u>	<u>4,168,413</u>	<u>2,711,767</u>	<u>3,018,202</u>
Total Assets	<u>\$11,019,050</u>	<u>\$12,554,162</u>	<u>\$13,721,551</u>	<u>\$11,294,938</u>	<u>\$10,532,712</u>	<u>\$10,026,035</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	\$246,195	\$202,459	\$117,900	\$251,669	\$242,576	\$255,896
Accrued Liabilities	\$28,682	\$47,132	\$57,060	\$59,794	\$4,681	\$18,878
Due to Other Governments	52,407	91,247	41,920	32,503	0	0
Due to Other Funds	597	309,500	23,998	135,641	757	0
Service Awards	0	0	0	0	0	0
Other Payables	0	0	0	0	0	70,937
Deferred Inflows of Resources	<u>910,491</u>	<u>911,844</u>	<u>884,871</u>	<u>261,533</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$1,238,372</u>	<u>\$1,562,182</u>	<u>\$1,125,749</u>	<u>\$741,140</u>	<u>\$248,014</u>	<u>\$345,711</u>
Fund Balance:						
Nonspendable	236,694	424,411	496,504	213,246	278,814	221,228
Restricted	2,278,558	3,535,025	4,865,531	4,181,999	2,894,980	3,097,186
Assigned	655,000	252,500	362,746	350,000	360,000	575,000
Unassigned	<u>6,619,624</u>	<u>6,780,044</u>	<u>6,871,021</u>	<u>5,808,553</u>	<u>6,750,905</u>	<u>5,786,910</u>
Total Fund Balance (Deficits)	<u>9,789,876</u>	<u>10,991,980</u>	<u>12,595,802</u>	<u>10,553,798</u>	<u>10,284,699</u>	<u>9,680,325</u>
Total Liabilities and Fund Equity	<u>\$11,028,248</u>	<u>\$12,554,162</u>	<u>\$13,721,551</u>	<u>\$11,294,938</u>	<u>\$10,532,713</u>	<u>\$10,026,035</u>

Source: Audited and Unaudited Financial Statements of the Town.
Note: This summary is NOT audited.

Town of Queensbury
 Adopted Budgets - General Fund
 Fiscal Year Ended December 31:

	<u>2019</u>	<u>2020</u>
Revenues:		
Real Property Taxes	\$ 1,961,838	\$ 1,980,587
Real Property Tax Items	76,000	77,000
Non-Property Tax	9,335,000	9,985,000
Departmental Income	411,750	472,000
Use Of Money And Property	11,000	13,000
Licenses and Permits	146,500	182,000
Fines and Forfeitures	575,000	445,000
Sale of Property and Compensation for Loss	0	0
Miscellaneous	0	0
State Aid	891,500	820,000
Federal Aid	0	0
Interfund Transfers	170,000	170,000
	<hr/>	<hr/>
Total Revenue	<u>\$ 13,578,588</u>	<u>\$ 14,144,587</u>
Expenditures:		
General Government Support	\$ 3,586,513	\$ 3,768,450
Public Safety	532,400	617,900
Public Health	14,000	14,000
Transportation	466,425	441,725
Economic Assistance And Opportunity	149,800	159,800
Culture And Recreation	1,171,250	1,227,200
Home And Community Services	651,900	658,900
Employee Benefits	2,840,000	2,812,000
Debt Service	338,500	339,612
Interfund Transfers	0	0
	<hr/>	<hr/>
Total Expenditures	<u>\$ 9,750,788</u>	<u>\$ 10,039,587</u>

Source: Adopted Budgets of the Town.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018*

**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/ER1379471.pdf>

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

*** BST & Co., Certified Public Accountants, 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

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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Michael J. Hill, Of Counsel
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Web Site: millermannix.com
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July 9, 2020

[SUCCESSFUL BIDDER]

Re: \$1,293,400 Town of Queensbury, Warren County, New York
Public Improvement (Serial) Bonds, 2020

Gentlepersons:

We have acted as Bond Counsel in connection with the issuance on this date by the Town of Queensbury, Warren County, New York (the "Issuer"), of its Public Improvement (Serial) Bonds in the aggregate principal amount of \$1,293,400 dated July 9, 2020 (the "Bonds").

We have examined such portions of the Constitution and statutes of the State of New York, the Internal Revenue Code of 1986, as amended to the date hereof, including particularly Section 148 thereof and the regulations of the United States Treasury Department thereunder (the "Code"), and such applicable Court decisions, regulations and published rulings as we deemed necessary or relevant for the purposes of the opinions set forth below. We have also examined Bonds No. R-1 through R-25 as executed by the Issuer and the transcript of proceedings of the Issuer relating to the authorization and issuance of the Bonds and related matters. However, we cannot predict future Code amendments which might change the tax treatment of the Bonds and interest thereon, and we make no opinion with regard to any such future scenario.

To the extent that our opinion is based in whole or in part upon factual information furnished to us by the officials and officers of the Issuer, we have relied solely upon such information as so furnished and have not independently verified the accuracy thereof. Based on the foregoing, it is our opinion under existing law that:

A. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute a valid and legally binding general obligation of the Issuer, the full faith and credit of which have been irrevocably pledged for the punctual payment of the principal of and interest on the Bonds. All the taxable real property within the Town is subject to the levy of ad

[SUCCESSFUL BIDDER].

Re: \$1,293,400 Town of Queensbury Bonds

July 9, 2020

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valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by New York State General Municipal Law Section 3-c. However, the enforceability (but not the validity) of the Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights;

B. The Issuer has the power to comply with its covenants included in its tax certificate with respect to the Bonds relating to compliance with the Code as it relates to the Bonds; provided, however, that the enforceability (but not the validity) of such covenant may be limited by any applicable existing or future bankruptcy or other law (State or Federal) affecting the enforcement of creditors' rights;

C. Assuming that the Issuer complies with such covenants, interest on the Bonds is not included in the gross income of the owners thereof for Federal income tax purposes under existing statutes and Court decisions. Interest on the Bonds is not treated as a preference item in calculating alternative minimum taxable income of individuals or corporations, since the Bonds are not "private activity" bonds within the meaning of Section 141 of the Code. Such interest is includable in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. Under existing statutes, 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. We express no opinion regarding other Federal or state income tax consequences arising with respect to the Bonds.

In rendering the opinions expressed herein, we have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and we have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications.

The scope of our engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein 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 Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Bonds as the same respectively become due and payable.

A copy of this opinion letter may be delivered by you to subsequent purchasers and/or rating agencies and/or credit enhancement organizations in connection with the sale of the Bonds and/or a review of the Bonds and the Bond documents, and such

[SUCCESSFUL BIDDER].

Re: \$1,293,400 Town of Queensbury Bonds

July 9, 2020

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person/persons may rely on this opinion letter as if it were addressed and had been delivered to them on the date hereof. Subject to the foregoing, this opinion letter may be relied upon by you only in connection with the Bonds and may not be used or relied upon by you or any other person for any other purpose whatsoever.

Very truly yours,

MILLER, MANNIX, SCHACHNER & HAFNER, LLC

By: _____

Robert H. Hafner

Its Duly Authorized Officer

APPENDIX E

FORM OF DISCLOSURE UNDERTAKING FOR THE BONDS

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

This Undertaking to Provide Continuing Disclosure (the "Undertaking"), dated July 9, 2020, is executed and delivered by the Town of Queensbury, Warren County, New York (the "Town") in connection with issuance of its \$1,293,400 Public Improvement Serial Bonds, 2020 (Carey Road Sewer District Project) (the "Bonds"). This Undertaking is being executed and delivered by the Town for the benefit of holders of and owners of beneficial interests in the Bonds.

Section 1. Definitions.

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

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

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

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

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

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

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Town Supervisor as of June 24, 2020.

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

“Securities” shall mean the Issuer’s \$1,293,600 Public Improvement Serial Bonds - 2020, dated July 9, 2020, maturing in various principal amounts on June 15 in each of the years 2021 to 2045, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure.

(a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York to the EMMA System:

(i) no later than six (6) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information no later than six (6) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines

that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 3. Annual Information.

(a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading: "LITIGATION" and in APPENDIX A under the headings: "THE TOWN," "INDEBTEDNESS OF THE TOWN," "TAX INFORMATION," and in Appendix B.

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 9, 2020**.

TOWN OF QUEENSBURY

By: _____
JOHN F. STROUGH,
Supervisor and Chief Fiscal Officer