

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 18, 2021

REFUNDING SERIAL BONDS

RATING: SEE "RATING" HEREIN

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

The Bonds WILL be designated by the Fire District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

**MILLWOOD FIRE DISTRICT
IN THE TOWN OF NEW CASTLE,
WESTCHESTER COUNTY, NEW YORK**

\$6,355,000

**FIRE DISTRICT REFUNDING (SERIAL) BONDS, 2021
(the "Bonds")**

Dated Date: Date of Delivery

Maturity Date: June 1, 2021-2035

The Bonds are general obligations of the Millwood Fire District in the Town of New Castle, Westchester County, New York (the "Fire District"), and will contain a pledge of the faith and credit of the Fire District for the payment of the principal of and interest on the Bonds. All the taxable real property within the Fire District will be subject to the levy of ad valorem taxes, subject to applicable statutory limitations. (See "Nature of Obligation" and "Tax Levy Limitation Law" herein.)

The Bonds do not constitute a debt of the Town of New Castle. The Town will not be liable for the payment of the Bonds.

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

The Bonds will be dated their Date of Delivery, will bear interest from such date payable June 1, 2021, December 1, 2021 and semiannually thereafter on each June 1 and December 1 until maturity. The Bonds shall mature on June 1 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 are offered subject to the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about March 23, 2021.

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

DATED: March __, 2021

* Preliminary, subject to change.

The Bonds mature on June 1 in each year as set forth below:

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

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number**</u>
2021	\$35,000	%	%	
2022	325,000			
2023	340,000			
2024	360,000			
2025	380,000			
2026	400,000			
2027	425,000			
2028	445,000			
2029	465,000			
2030	490,000			
2031	510,000			
2032**	530,000			
2033**	540,000			
2034**	550,000			
2035**	560,000			

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

** The Bonds maturing in the years 2032 and thereafter will be subject to redemption prior to maturity, as described herein. (See "*Optional Redemption*" herein.)

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

**MILLWOOD FIRE DISTRICT
IN THE TOWN OF NEW CASTLE,
WESTCHESTER COUNTY, NEW YORK**

FIRE DISTRICT OFFICERS

ALAN SCHAPIRO.....FIRE DISTRICT CHAIRMAN

DANIEL PUSZKA.....VICE FIRE DISTRICT CHAIRMAN

ANTHONY OLENIK.....COMMISSIONER

JORDAN SCHIFFMAN.....COMMISSIONER

MICHAEL WOLFENSOHN.....COMMISSIONER

ROSE COHEN..... FIRE DISTRICT TREASURER

FIRE DISTRICT ATTORNEY

**Kornfeld, Rew, Newman & Simeone
Suffern, New York**

BOND COUNSEL

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

INDEPENDENT AUDITOR

**RBT CPAs LLP
Newburgh, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * New York City * Southern Tier * Western New York
(516) 274-4504**

No person has been authorized by the Millwood Fire District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any sale of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Millwood Fire District.

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OFFICIAL STATEMENT

MILLWOOD FIRE DISTRICT IN THE TOWN OF NEW CASTLE, WESTCHESTER COUNTY, NEW YORK

relating to

\$6,355,000*

FIRE DISTRICT REFUNDING (SERIAL) BONDS, 2021

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Millwood Fire District in the Town of New Castle, in Westchester County, in the State of New York, (the “Fire District,” “County,” and “State,” respectively). It has been prepared by the Fire District in connection with the sale of \$6,355,000* Fire District Refunding (Serial) Bonds, 2021 (the “Bonds”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State as well as the acts and proceedings of the Fire District 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 as well as the proceedings of the Fire District relating thereto are qualified in their entirety by reference to the definitive form of such obligations and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Fire District’s overall economic situation and outlook (and all of the specific Fire District related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify.

THE BONDS

Description

The Bonds will be dated their date of delivery and mature as set forth on the inside cover page hereof. Interest on the Bonds will be payable on June 1, 2021 and semiannually thereafter on each June 1 and December 1 until maturity. The Bonds shall mature on June 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as described herein (see “Optional Redemption” herein).

The Bonds will be issued in book-entry form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). (See “Book-Entry-Only System” herein). DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

The Fire District will act as its own Paying Agent for the Bonds. The Paying Agent contact will be the Fire District’s Treasurer, Ms. Rose Cohen, (914)762-4242, treasurer@millwoodfire.org, fax: (914) 432-8749.

* Preliminary, subject to change.

Principal of and interest on the Bonds will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its Participants (Defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “*Book-Entry-Only System*,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Fire District referred to therein.

The record date for payment of principal of and interest on the Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

Authorization and the Refunding Plan for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including the Local Finance Law and the refunding bond resolution adopted by the Board on January 25, 2021 (the Refunding Bond Resolution). The Bonds are being issued to refund up to \$7,195,000 of the outstanding principal of the Fire District’s Fire District (Serial) Bonds, 2013 which mature on June 1 in the years 2022 to 2037, inclusive (the “Refunded Bonds”). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as set forth below.

The net proceeds from the sale of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers Traders Trust Company Corporate Trust Services (the “Escrow Holder”) a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Fire District and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Bond resolution of the Fire District and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

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

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

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

The list of Refunded Bond maturities set forth below may be changed by the District in its sole discretion due to market or other factors considered relevant by the District at the time of pricing of the Bonds and no assurance can be given that any particular bonds listed below or that any particular maturity thereof will be refunded.

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THE FOLLOWING IS A SUMMARY OF THE REFUNDED BONDS:

<u>Maturity Date:</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price</u>
June 1, 2022	\$370,000	2.000%	601510 AJ9	June 1, 2021 @ 100%
June 1, 2023	375,000	2.000	601510 AK6	June 1, 2021 @ 100%
June 1, 2024	385,000	2.000	601510 AL4	June 1, 2021 @ 100%
June 1, 2025	395,000	2.125	601510 AM2	June 1, 2021 @ 100%
June 1, 2026	405,000	2.250	601510 AN0	June 1, 2021 @ 100%
June 1, 2027	415,000	2.375	601510 AP5	June 1, 2021 @ 100%
June 1, 2028	425,000	2.750	601510 AQ3	June 1, 2021 @ 100%
June 1, 2029	435,000	2.750	601510 AR1	June 1, 2021 @ 100%
June 1, 2030	450,000	3.000	601510 AS9	June 1, 2021 @ 100%
June 1, 2031	460,000	3.000	601510 AT7	June 1, 2021 @ 100%
June 1, 2032	475,000	3.000	601510 AU4	June 1, 2021 @ 100%
June 1, 2033	490,000	3.125	601510 AV2	June 1, 2021 @ 100%
June 1, 2034	505,000	3.125	601510 AW0	June 1, 2021 @ 100%
June 1, 2035	520,000	3.250	601510 AX8	June 1, 2021 @ 100%
June 1, 2036	535,000	3.375	601510 AY6	June 1, 2021 @ 100%
June 1, 2037	<u>555,000</u>	3.500	601510 AZ3	June 1, 2021 @ 100%

Total: \$7,195,000

Sources and Uses of Proceeds of the Bonds

Sources:	Totals
Bond Proceeds:	
Par Amount	\$
Original Issue Premium	
	<hr/>
Total:	
Uses:	
Refunding Escrow Deposits:	\$
Delivery Date Expenses:	
Underwriter's Fee	
Costs of Issuance	
and Contingency:	
	<hr/>
Total:	\$

Verification of Mathematical Computations

Causey, Demgen & Moore P.C. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes.

Optional Redemption

Call Provisions. The Bonds maturing on or before June 1, 2031 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2032, and thereafter, will be subject to redemption prior to maturity, at the option of the Fire District, 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 1, 2031 at par plus accrued interest to the redemption date.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot, in any customary manner of selection, as determined by the Fire District Treasurer. 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).

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

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

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

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 securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

Source: The Depository Trust Company

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fire District and discharging its responsibilities with respect thereto under applicable law, or the Fire District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions would apply:

The Bonds would be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof. Principal and interest on the Bonds when due would be payable upon presentation at the principal corporate

trust office of a fiscal agent (the “Fiscal Agent”) to be appointed by the Fire District. Interest on the Bonds will be payable as described herein. Such interest will be payable by check drawn on the Fiscal Agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the Fiscal Agent as of the Record Date. Bonds could be transferred or exchanged, at no cost to the registered owner at any time prior to their maturity, at the principal corporate trust office of the Fiscal Agent, for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the bond determinations certificate executed by the Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The Fiscal Agent would not be obligated to make any such transfer or exchange of Bonds between the respective Record Date and such interest payment dates. (See “Description on the Bonds” herein.)

NATURE OF OBLIGATION

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

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

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

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read

together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applications to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies. It also applies to fire districts.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of

fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature described below 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 Fire District.

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

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

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

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

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

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

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

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply to fire districts nor, in general in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

RISK FACTORS

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

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

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

The financial condition of the Fire District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Fire District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions, thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Fire District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected. See "Tax Levy Limitation Law" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

COVID-19

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 Fire District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak 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 continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Fire District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or

resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the Fire District. The Fire District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The degree of any such impact to the Fire District'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 to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Fire District and its economy. The Fire District has not experienced any financial impacts as a result of the COVID-19 outbreak, the Fire District received fiscal year 2020 property tax collections on time. The Fire District will continue monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

CYBERSECURITY

The Fire District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Fire District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

LITIGATION

Except as otherwise set forth herein and apart from matters provided for by applicable insurance coverage, the attorneys for the Fire District are unaware of any claims or action pending which, if determined against the Fire District, would have an adverse material effect on the financial condition of the Fire District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Fire District, threatened against or affecting the Fire District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Fire District take with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Fire District.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Fire District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes from the date of original issuance of the Bonds. The opinion of Bond Counsel

assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. In recent years, there have been legislative proposals which would generally limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

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

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Fire District has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced under the headings "The Fire District", "Financial Factors", "Tax Information", "District Indebtedness", "Litigation" and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United

States of America in effect at the time of audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Fire District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Fire District of whether such provision is compliant with the requirements of federal securities law including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

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

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Fire District 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 Fire District, 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 Fire District.

With respect to events (xv) and (xvi) above, the term "Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

The Fire District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that any such amendment or modification will be done in a manner consistent with the Rule, as amended.

The Fire District is in compliance in all material respects with all prior undertakings, if any, made pursuant to the Rule for the past five years.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the Fire District in connection with the sale of the Bonds.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, which have access to relevant data to provide accurate information for the Official Statement, and 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 Fire District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

RATING

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

Such rating reflects only the views of such rating agency 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.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from Alan Schapiro, Fire District Chairman, P.O. Box 140, Millwood, NY 10546, Ms. Rose Cohen, Fire District Treasurer, treasurer@millwoodfire.org or from the Fire

District's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, telephone (516) 274-4504 and is also available at www.capmark.org.

The Fire District will act as Fiscal Agent with respect to the Bonds. The Fire District Treasurer above should be used as the Fiscal 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 Fire District and the purchasers or holders of any of the Bonds.

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

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 Fire District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Fire District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Fire District 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 Fire District and may not be reproduced or used in whole or in part for any other purpose.

MILLWOOD FIRE DISTRICT IN THE TOWN OF NEW CASTLE,
WESTCHESTER COUNTY, NEW YORK

By: _____
Rose Cohen
Treasurer of the Millwood Fire District

DATED: March__, 2021

APPENDIX A

THE FIRE DISTRICT

THE FIRE DISTRICT

General Information

The Fire District was established in 1924. The Fire District, comprising approximately 9.18 square miles, is geographically situated in Millwood, one of the hamlets of the Town of New Castle, Westchester County. Assessed and full valuations of that portion of the Town of New Castle (the “Town”) comprising the Millwood Fire District are shown in the “Real Property Taxes” section. As of the date of this Official Statement, the District has approximately 47 active volunteer professionals. The Fire District is separate from Millwood Fire Company #1 – an all- volunteer fire company which provides firefighting and rescue services to the 1,800 families living in Western Chappaqua, Millwood, and the West End of the Town of New Castle. In addition, under certain circumstances, firefighting support is provided to neighboring communities under mutual aid agreements.

The District is primarily residential in character. Most residential development consists of single-family homes, but townhouse complexes and estates are also located within the area. Commercial facilities mainly include professional buildings and suburban shopping centers.

Based on 2019 U.S. census data, the population of the Town is estimated to be 17,801. Fire District officials currently estimate the District population to be approximately 6,800. According to the American Community Survey – 5-year estimate (U.S. Census Bureau), the Town’s per capita money income was \$112,779 for 2019 which was approximately 97.9% higher than the level for all County residents (estimated at \$57,049) and approximately 286.8% higher than the per capita money income for the entire state (estimated at \$39,326). Residents are employed throughout the County and also commute to New York City for employment. The unemployment rate for Town residents is less than the rate for the County as a whole and substantially below state and national levels. See “Economic and Demographic Data,” herein.

Rail service is available by the Metro North Railroad. Highways serving the District include the State Routes 100, 133, and 120 and the Taconic Parkway. The area is also covered by an extensive network of county and town roads. In addition, public bus transportation is available in the area. Commercial airline service is available at the County airport. In addition, District residents may also use LaGuardia, Kennedy, Newark, and Stewart Airports, all of which can be reached within one hour by car.

The Fire District operates a total of 12 vehicles which can be summarized in the below table:

Fire District Vehicles

<u>Vehicle Type</u>	<u>Number of Vehicles</u>
Engines	2
Ladder	1
Tanker – Pumper	1
Heavy Rescue	1
Mini – Attack	1
Utility	2
Chief/Command Vehicles	3
Boat on Trailer	<u>1</u>
Total Vehicles	12

With such vehicles the Fire District is able to and provide the following services to Fire District residents: Rescue, Vehicle Extrication, Hazard Mitigation, EMS Support and Fire Suppression. In addition the Fire District is also able to provide Emergency Services Training.

Fire District officials have indicated that, on average, the District typically responds to over 300 calls annually, most of which correlate to fire, car accidents and life-threatening situations.

Form of Government

The Fire District was established pursuant to Article 11 of the Town Law, and is vested with such powers and has the responsibilities inherent in the operation of fire districts including the adoption of rules and regulations to govern its affairs. In addition, the Fire District may tax real property situated within its boundaries and incur debt subject to the provision of the State's Local Finance Law.

Government operations of the Fire District are subject to the various statutes affecting municipal fire districts including the Town Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law.

Elected and Appointed Officials

The Board of Fire Commissioners (the “Board”) is the governing and policy determining body of the Fire District and consists of five members, all of whom are elected to five-year terms on a staggered basis. The Chairman of the Board is elected by the Commissioners to a one-year term. The number of terms which may be served is not limited. The duties of these Commissioners are to oversee the administrative operations of the Fire District. These duties include but are not limited to: setting a budget and adjusting taxes to meet needs, maintenance and purchase of buildings, maintenance and purchase of fire apparatus and equipment, personnel matters, and setting administrative policies.

The Board appoints a secretary and a treasurer, who is the chief fiscal officer of the Fire District, as well as an attorney.

Employees

The Fire District has 0 full time employees and 3 part-time employees.

Other Post Employment Benefits

The Fire District is not required to pay employee pension benefits.

Length of Service Award Program

The Fire District established a defined benefit Service Award Program (“LOSAP”) under section 457(e)(11) of the Internal Revenue Code effective January 1, 1990, for the active volunteer firefighter members of the Fire District. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program. See “Note to Financial Statements – Note IIA” in the audited financial statements for the year ended December 31, 2019.

Participation, Vesting and Service Credit. Active volunteer firefighters who have reached the age of sixteen and who have completed one year of qualifying firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with fire years of firefighting service or upon attaining the program’s entitlement age while an active volunteer. The program’s entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulated 50 points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values.

As of December 31, 2019, there were a total of 82 participants of which 32 are active, 26 have terminated with deferred vested benefits and 20 are receiving benefits. Of the 32 active participants, 19 participants qualify for full vesting because they have 5 years of credited service, and 15 have less than 5 years of service and are not vested. Five non-

vested members terminated during the plan year ended December 31, 2011. Terminated non-vested participant benefits are forfeited and dropped from the current year valuation.

Benefits. The LOSAP plan provides a benefit of \$20 per month for a maximum of 40 years of eligible service, whereupon a maximum monthly retirement of \$800 is provided upon normal retirement at age 65, which is guaranteed for a 10 year pay-out period.

The plan also provides life insurance of \$50,000 per member. A lump-sum cash distribution is made upon a participant’s disability, with life insurance protection continued.

The Fire District’s contributions to LOSAP for the last five fiscal years and as budgeted for 2020 and 2021 fiscal years are as follows.

<u>Fiscal Year December 31:</u>	<u>Actual Contribution</u>
2016	\$106,229
2017	93,188
2018	108,020
2019	121,623
2020 (Budget)	118,979
2021 (Budget)	106,216

Source: The Audited Financial Statements and the 2020 and 2021 Adopted Budgets of the Fire District. The above summary itself is not audited.

FINANCIAL FACTORS

Budget Process

The Fire District prepares an annual budget of revenue to be received and expenditures to be made during the following year. Such budget is not subject to referendum unless the operating portion exceeds limitations provided by law. On or before the 21st day prior to the budget hearing, the Fire District must adopt a proposed budget. All New York State fire districts must conduct a budget hearing on or prior to the third Tuesday in October. A final budget must be adopted no later than November 4th. The Fire District must file the final budget with the Town within three days of adoption. The full amount of Fire District tax specified in its annual budget is levied by the Town of New Castle.

Summaries of the Fire District’s budgets for the fiscal years 2020 and 2021 are presented in Appendix B of this official statement.

Independent Audits

The District retained the firm of RBT CPAs, LLP to audit its financial statements for the fiscal year ended December 31, 2019. The Fire District's financial statements as of and for the year ended December 31, 2019, the notes thereof and the auditors’ report thereon, are presented in Appendix C of this Official Statement. In addition, the Fire District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Certain Information Obtained From Financial Statements

Summary financial statements for the five years ended December 31, 2015 through December 31, 2019 are presented in Appendix B of this Official Statement. Such statements were compiled from the audited financial statements of the Fire District, however, the presentation of these statements has not been audited. The statements are not considered audited under accounting principles generally accepted in the United States of America because the notes to the

statements and the auditors' report thereon have been omitted. Copies of the Fire District's audited financial statements will be made available upon request.

Summary of Significant Accounting Policies

See "Note to Financial Statements – Note 1," in the audited financial statements for the year ended December 31, 2019.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the Fire District has an investment policy applicable to the investment of all moneys and financial resources of the Fire District. The responsibility for the investment program has been delegated by the Board to the Chief Financial Officer who was required to establish written operating procedures consistent with the Fire District's investment policy guidelines. According to the investment policy of the Fire District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The Fire District is permitted to invest in special time deposits or certificates of deposit. The Fire District has designated three banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money, including certificates of deposits, from the Fire District.

In addition to bank deposits, the Fire District is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Fire District include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Fire District (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Fire District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Fire District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Fire District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All Fire District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Fire Districts' security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the Fire District must be delivered, in a form suitable for transfer or with an assignment in blank, to the Fire District or its designated custodial bank. The custodial agreements used by the Fire District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the Fire District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Fire District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Revenues

A summary of Fire District revenues for the fiscal years 2015-2019 is presented in Appendix B, hereto. Information for said fiscal years has been excerpted from the Fire District’s audited financial reports, however, such presentation has not been audited.

Real Property Taxes. The Fire District derives a major portion of its revenues from a tax on real property (see “Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Funds” in the audited financial statements for the year ended December 31, 2019.) Property taxes accounted for approximately 97.30% of total General Funds revenue for the fiscal year ended December 31, 2019.

The following table sets forth total General Fund revenues and real property taxes received for each of the past five audited fiscal years ended and the amount budgeted for the most recent fiscal year.

General Fund Revenues & Real Property Taxes			
<u>Fiscal Year Ended December 31:</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenues</u>
2015	\$1,663,142	\$1,594,777	95.89%
2016	1,644,188	1,617,342	98.36
2017	1,683,564	1,632,574	96.97
2018	1,728,735	1,687,220	97.60
2019	1,780,185	1,732,151	97.30
2020 (Budget)	1,783,579	1,783,579	100.00
2021 (Budget)	1,825,713	1,825,713	100.00

(1) Excludes Other Financing Sources

Source: The Audited Financial Statements and the 2020 and 2021 Adopted Budgets of the Fire District. The above summary itself is not audited.

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REAL PROPERTY TAXES

Real Property Tax Assessments and Rates

Assessments, Equalization and Full Values For Fiscal Years Ended December 31, 2008-2012

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuations	\$ 317,227,340	\$ 316,918,473	\$ 315,098,896	\$ 313,544,829	\$ 336,327,573
State Equalization Rate	19.50%	19.05%	19.10%	19.05%	19.06%
Full Valuations	\$1,626,806,872	\$1,663,614,031	\$1,649,732,440	\$1,645,904,614	\$1,764,572,786

Source: Fire District Officials.

Tax Levies and Collection Record

Tax Levies and Collections 2016-2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Tax Levy	\$1,617,342	\$1,632,574	\$1,687,220	\$1,732,151	\$1,783,579
Amount Uncollected ⁽¹⁾	None	None	None	None	None
Tax Rate Per \$1,000	5.11%	5.16%	5.34%	5.51%	5.69%

See "Tax Collection Procedures," below.

Source: Fire District officials.

Tax Collection Procedures

Real property taxes for the Fire District are levied and billed with taxes for County and Town purposes. Fire District taxes are collected by the Town beginning on April 1. Such taxes may be paid without interest during the month of April. Thereafter, tax payments must include interest at increasing rates specified in the Westchester County Code. Any tax penalty collected is retained by the Town of New Castle as the collecting entity. The Fire District tax levy is paid in full every year by the Town of New Castle regardless of the amount of taxes actually collected. Accordingly, the Fire District receives 100% of its tax levy each year (on or about June 1st). The Town is responsible for collection and enforcement of the tax levy.

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Ten of the Largest Taxpayers

The following table set forth the property assessments and tax liability of the Fire District's largest taxpayers as shown on the tax roll used to levy real property taxes for the 2021 fiscal year.

Larger Taxpayers			
<u>2020 Assessment Roll (For the Collection of 2021 Taxes)</u>			
<u>Taxpayer's Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation⁽¹⁾</u>
Consolidated Edison (Special Franchise Polls & Wires)	Utility	\$ 19,153,892	5.70%
Consolidated Edison	Utility	15,231,610	4.53
Manocherian, Jeffrey	Residence	1,633,238	0.49
Millwood Holdings LLC	Industrial	1,573,800	0.47
Millwood Center LLC ⁽²⁾	Shopping Center	1,260,000	0.38
Samberg, Rebecca	Estate	952,500	0.28
Verizon	Telecom	846,886	0.25
Campfire Club of Amer.	Nonprofit Club	836,200	0.25
Millwood NS Inc. ⁽²⁾	Gas/Svc. Station	714,680	0.21
A P C Realty	Processing	696,260	0.21
		<u>\$42,899,066</u>	<u>12.77%</u>

(1) Total assessed value for fiscal year 2020 is \$336,327,573.

(2) Tax Certioraris pending.

Source: Fire District Officials.

FIRE DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution (Article VIII, Section 2) does not directly address a Fire District's power to contract indebtedness, and the levy of taxes upon real estate in support thereof (although Article VIII Section 3 thereof does include fire districts in its listing of types of municipal corporations in the State possessing the power to both contract indebtedness and to levy taxes upon real estate). The authorization and issuance of Fire District debt, including the purpose, amount and nature thereof, the method and manner of contracting such indebtedness, the maturity and terms of repayment thereof, the pledge of the faith and credit and other related matters are provided by statute.

The Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and to otherwise contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Bonds.

Purpose and Pledge. The Fire District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation. The Fire District may contract indebtedness only for a Fire District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of

probable usefulness of the object or purpose as determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per cent in excess of the smallest prior installment unless the Board of Fire Commissioners provides for substantially level or declining debt service in the manner prescribed by the State Legislature. The Fire District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its bonds and notes.

Debt Limit. Fire District has the power to contract indebtedness for any Fire District purpose so long as the outstanding principal amount thereof shall not exceed three per centum of the full valuation of taxable real estate of the Fire District and subject to certain enumerated exclusions and deductions such as cash or appropriations for current debt service.

There is no constitutional limitation on the amount that may be raised by the Fire District by tax on real estate in any fiscal year to pay interest and principal on indebtedness. See "TAX LEVY LIMITATION LAW" herein as to statutory limitations.

Statutory Procedure

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

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonds by the adoption of a resolution, approved by the members of the Fire District Board of Commissioners, the finance board of the Fire District and generally subject to mandatory referendum of the voters of the Fire District.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. Such obligations are authorized for a purpose for which the Fire District is not authorized to expend money, or
2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
3. Such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Fire District complies with this estoppel procedure. It is a procedure that is recommended by bond counsel, but it is not an absolute legal requirement. The Fire District is in compliance with such procedure with respect to the Bonds.

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

The Local Finance Law permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not extend five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional and Statutory Requirements" herein.)

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

Statutory Debt Limit and Net Indebtedness

The debt limit of the Fire District is \$52,937,183 as of February 18, 2021. This is calculated by taking 3% of the current full value of the taxable real property of the Fire District.

Statutory Debt Limit and Net Indebtedness
(As of February 18, 2021)

Full Valuation of Taxable Real Property		\$1,764,572,786
Debt Contracting Margin (3% of Full Valuation)		<u>52,937,183</u>
Outstanding Indebtedness (Principal Only):		
Bonds	\$ 7,555,000	
Bond Anticipation Notes	0	
Gross Indebtedness	7,555,000	
Less: Exclusions	<u>0</u>	
Total Net Indebtedness		<u>\$ 7,555,000</u>
Net Debt-Contracting Margin		<u>\$ 45,382,183</u>
Percentage of Debt-Contracting Margin Exhausted		<u>14.27%</u>

Source: Fire District Officials.

Bond, Tax and Revenue Anticipation Notes

The Fire District does not have any bond anticipation notes (“BANs”), tax anticipation notes (“TANs”) or revenue anticipation notes (“RANs”) outstanding and has not issued any BANs, TANs or RANs in recent years.

The Fire District has not issued tax anticipation, revenue anticipation or budget notes during the last five fiscal years and does not expect to issue such notes during the current fiscal year.

Trend of Capital Indebtedness

The following table sets forth the amount of direct capital indebtedness outstanding in the Fire District for each of the last five fiscal years ended December 31.

	<u>Direct Capital Indebtedness Outstanding</u>				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds:	\$9,285,000	\$8,945,000	\$8,605,000	\$8,260,000	\$7,910,000
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals:	<u>\$ 9,285,000</u>	<u>\$ 8,945,000</u>	<u>\$ 8,605,000</u>	<u>\$ 8,260,000</u>	<u>\$ 7,910,000</u>

Source: Audited financial statements of the Fire District. Table itself not audited.

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Overlapping and Underlying Debt

In addition to the Fire District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Fire District. The real property taxpayers of the Fire District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the Fire District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the Fire District's share of this debt.

Statement of Direct and Overlapping Indebtedness As of February 18, 2021

Fire District Gross Direct Indebtedness	\$7,555,000
Fire District Exclusions and Deductions	<u>-0-</u>
Fire District Net Direct Indebtedness	<u>\$ 7,555,000</u>

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percent Applicable</u>	<u>Total Net Debt</u>	<u>Applicable Net Debt</u>
County of Westchester	09-30-20	2.03%	\$890,591,915	\$18,079,015
Town of New Castle	11-24-20	29.81	14,718,576	4,387,608
Chappaqua CSD	09-25-19	28.49	84,850,000	<u>24,173,765</u>
Totals				<u><u>\$46,640,388</u></u>

Source: Municipal Officials, the New York State Office of the State Comptroller and the MSRB.

Debt Ratios

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

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Debt to Estimated Full Value ⁽²⁾</u>
Net Direct Debt	\$ 7,555,000	\$ 1,111	0.43%
Net Direct & Overlapping Debt	54,195,388	7,970	3.07

(1) According to Fire District officials, the population of the Fire District is estimated at 6,800.

(2) The full valuation of taxable property within the Fire District for fiscal year 2020 is \$1,764,572,786.

Authorized but Unissued Debt

The Fire District currently does not have any authorized but unissued debt and has no plans for borrowings in the foreseeable future.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the Fire District’s outstanding bonded indebtedness, exclusive of the Bonds, for the fiscal years listed below.

<u>Schedule of Debt Service Requirements</u>			
Fiscal Years Ending	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
<u>December 31:</u>			
2021	\$ 360,000	\$ 204,238	\$ 564,238
2022	370,000	196,938	566,938
2023	375,000	189,488	564,488
2024	385,000	181,888	566,888
2025	395,000	173,841	568,841
2026	405,000	165,088	570,088
2027	415,000	155,603	570,603
2028	425,000	144,831	569,831
2029	435,000	133,006	568,006
2030	450,000	120,274	570,274
2031	460,000	106,624	566,624
2032	475,000	92,600	567,600
2033	490,000	77,819	567,819
2034	505,000	62,271	567,271
2035	520,000	45,930	565,930
2036	535,000	28,452	563,452
2037	555,000	9,712	564,712
	<u>\$ 7,555,000</u>	<u>\$ 2,088,603</u>	<u>\$ 9,643,603</u>

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

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ECONOMIC AND DEMOGRAPHIC DATA

The smallest area for which economic and demographic information is available, which includes the Fire District, is the Town of New Castle. It should not be construed, however, that the economic and demographic information presented in the following tables for the Town as a whole is necessarily representative of the Fire District or vice versa.

Population

According to Fire District officials, the current population of the Fire District is estimated to be 6,800. Population trends for the Town, County and State are presented in the following table.

	<u>Population</u>			<u>% Change</u>	
	<u>2000</u>	<u>2010</u>	<u>2019</u>	<u>2000-2010</u>	<u>2010-2019</u>
Town	17,491	17,569	17,801	0.4%	1.3%
County	923,459	949,113	967,506	2.8	1.9
State	18,976,457	19,378,102	19,453,561	2.1	0.4

Source: The U.S. Department of Commerce, Bureau of the Census.

Income

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2018</u>	<u>% Change</u>
Town	\$93,183	\$106,600	14.4%
County	47,814	54,572	14.1
State	30,948	37,470	21.1

Source: The American Community Survey – 5-year estimate (U.S. Department of Commerce, Bureau of the Census).

Median Income of Families - 2018

	<u>Median Income</u>	<u>Income Groups - % of Families</u>				
		<u>Under \$25,000</u>	<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	<u>\$100,000 Or More</u>
Town	\$197,813	2.0%	3.7%	8.3%	6.0%	79.9%
County	119,798	8.3	12.4	11.7	9.8	57.8
State	80,419	13.8	17.5	15.8	13.0	40.0

Source: The American Community Survey – 5-year estimate (U.S. Department of Commerce, Bureau of the Census).

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Employment and Unemployment

Unemployment statistics are not available for the District. The information set forth below with respect to the County and State is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County and State is necessarily representative of the Fire District, 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 March 2020 due to the COVID-19 global pandemic. (See “Risk Factors” herein.)

Average Employed Civilian Labor Force 2000-2019

	<u>2000</u>	<u>2010</u>	<u>2019</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2019</u>
County	461,100	484,700	484,300	3.8	1.2
State	9,133,900	9,595,400	9,514,400	0.6	(0.2)

Source: The New York State Department of Labor

Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2015	4.5%	5.3%
2016	4.3	4.9
2017	4.5	4.7
2018	3.9	4.1
2019:	3.8	4.0

Source: The New York State Department of Labor

Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
January 2020	4.0	4.1
February	3.9	3.9
March	4.0	4.2
April	14.1	15.1
May	11.1	14.2
June	12.5	15.6
July	14.2	16.0
August	11.0	12.5
September	6.9	9.3
October	6.8	9.0
November	5.8	8.1
December	6.0	8.1

Source: The New York State Department of Labor. Information not seasonally adjusted.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

**MILLWOOD FIRE DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION**

December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
ASSETS					
Cash and Equivalents	\$ 1,952,511	\$ 1,854,711	\$ 1,308,802	\$ 1,716,841	\$ 2,021,541
Due From Other Funds	0	0	0	0	0
Prepaid Expenses	8,493	8,493	0	0	8,080
Deferred Cost of Equipment	<u>0</u>	<u>62,101</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 1,961,004</u>	<u>\$ 1,925,305</u>	<u>\$ 1,308,802</u>	<u>\$ 1,716,841</u>	<u>\$ 2,029,621</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable and Accrued Liabilities	<u>\$ 342,043</u>	<u>\$ 178,581</u>	<u>\$ 80,889</u>	<u>\$ 88,849</u>	<u>\$ 87,077</u>
Total Liabilities	<u>342,043</u>	<u>178,581</u>	<u>80,889</u>	<u>88,849</u>	<u>87,077</u>
Fund Equity:					
Nonspendable	8,493	70,594	0	0	8,080
Restricted	0	368,709	603,534	1,043,721	1,460,597
Committed	0	789,754	0	0	0
Unassigned	<u>610,830</u>	<u>517,667</u>	<u>624,379</u>	<u>584,271</u>	<u>473,867</u>
Total Fund Equity	<u>1,618,961</u>	<u>1,746,724</u>	<u>1,227,913</u>	<u>1,627,992</u>	<u>1,942,544</u>
Total Liabilities and Fund Equity	<u>\$ 1,961,004</u>	<u>\$ 1,925,305</u>	<u>\$ 1,308,802</u>	<u>\$ 1,716,841</u>	<u>\$ 2,029,621</u>

The financial data presented on this page has been excerpted from the Fire District's Annual Audited Financial Reports Such Presentation, however, has not been audited.
Complete copies of the Town's audited financial statements are available upon request to the Fire District

**MILLWOOD FIRE DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION**

YEARS ENDED DECEMBER 31:

	2015	2016	2017	2018	2019
REVENUES:					
Real Property Taxes	\$ 1,594,777	\$ 1,617,342	\$ 1,632,574	\$ 1,687,220	\$ 1,732,151
Interest and Investment Income	3,298	1,068	1,629	2,587	3,116
Insurance Recoveries	32,040	5,436	29,116	37,173	43,034
Proceeds From Sale of Vehicle	800	0	0	0	0
Refund Of Prior Year Expenditures	0	0	360	455	84
Contributions and Gifts	30,000	0	585	0	0
Other Income	2,227	18,542	0	0	0
FEMA Grant	0	0	0	0	0
Gain on Sale Of Equipment	0	0	17,000	0	0
Rental of Equipment	0	1,800	2,300	1,300	1,800
Total Revenues	1,663,142	1,644,188	1,683,564	1,728,735	1,780,185
EXPENDITURES:					
Current:					
Judgments and Claims	0	0	0	0	0
Fire protection	784,932	588,378	1,400,594	579,992	716,665
Employee and Volunteer Benefits	160,891	166,732	153,773	175,664	200,846
Debt Service	604,741	589,313	577,412	573,000	569,313
Other Expenses	0	172,002	0	0	0
Total Expenditures	1,550,564	1,516,425	2,131,779	1,328,656	1,486,824
Excess (Deficiency) of Revenues Over Expenditures	112,578	127,763	(448,215)	400,079	293,361
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	968,566	0	247,311	447,311	485,649
Operating Transfers - Out (1)	(782,588)	0	(247,311)	(447,311)	(464,459)
Total Other Financing Sources (Uses)	185,978	0	0	0	21,190
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	298,556	127,763	(448,215)	400,079	314,551
Fund Equity - Beginning of Year	1,547,124	1,618,961	1,746,724	1,227,913	1,627,992
Prior Period Adjustment	(226,719)		(70,596)		
Restated Beginning Fund Equity	1,320,405	1,618,961	1,676,128	1,227,913	1,627,992
Fund Equity - End of Year	1,618,961	1,746,724	1,227,913	1,627,992	1,942,543

The financial data presented on this page has been excerpted from the Fire District's Annual Audited Financial Reports. Such Presentation, however, has not been audited. Complete copies of the Fire District's audited financial statements are available upon request to the District.

(1) Transfers to Capital Fund for capital outlays

MILLWOOD FIRE DISTRICT
 OPERATING BUDGETS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31

	2020	2021
ESTIMATED REVENUES:		
Real Property Taxes	1,783,579	1,825,713
Interest on Deposits	0	0
Rentals	\$ 0	0
	1,783,579	1,825,713
ESTIMATED APPROPRIATIONS:		
Current:		
Public Safety	1,305,700	1,363,227
Employee Benefits	227,879	212,486
Total Appropriations	1,533,579	1,575,713
OTHER FINANCING SOURCES (USES):		
Operating Transfers - Out	(250,000)	(250,000)
Total Other Financing Sources (Uses)	(250,000)	(250,000)
Revenues Over Appropriations	0	0
APPROPRIATED FUND BALANCE	0	0

APPENDIX C

**BASIC FINANCIAL STATEMENTS,
NOTES THERETO AND
INDEPENDENT AUDITORS' REPORT
THEREON FOR THE
YEAR ENDED DECEMBER 31, 2019**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/RE1465931.pdf>

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. RBT CPAs LLP has not been requested by the Fire District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF BOND COUNSEL'S LEGAL OPINION

FORM OF BOND COUNSEL OPINION

March 23, 2021

Millwood Fire District
In the Town of New Castle, County
of Westchester,
State of New York

MILLWOOD FIRE DISTRICT
IN THE TOWN OF NEW CASTLE, WESTCHESTER COUNTY, NEW YORK
\$_____ FIRE DISTRICT REFUNDING (SERIAL) BONDS, 2021

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$_____ Fire District Refunding (Serial) Bonds, 2021 (the "Obligations"), of the Millwood Fire District located in the Town of New Castle, Westchester County, New York (the "Obligor"), dated March 23, 2021, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ and ____ hundredths per centum (____%) per annum, payable on June 1, 2021 and semi-annually thereafter on December 1 and June 1, and maturing in the amount of \$_____ on June 1, 2021, \$_____ on June 1, 2022, \$_____ on June 1, 2023, \$_____ on June 1, 2024, \$_____ on June 1, 2025, \$_____ on June 1, 2026, \$_____ on June 1, 2027, \$_____ on June 1, 2028, \$_____ on June 1, 2029, \$_____ on June 1, 2030, \$_____ on June 1, 2031, \$_____ on June 1, 2032, \$_____ on June 1, 2033, \$_____ on June 1, 2034 and \$_____ on June 1, 2035.

The Obligations maturing on or before June 1, 2031 are not subject to redemption prior to their stated maturity. The Obligations maturing on or after June 1, 2032 will be subject to redemption prior to maturity, at the option of the Obligor, on any date on or after June 1, 2031, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption..

We have examined:

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

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

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

In our opinion:

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

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

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to

the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP