

PRELIMINARY OFFICIAL STATEMENT DATED JULY 6, 2021

NEW ISSUE

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

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

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

**TOWN OF KENT
PUTNAM COUNTY, NEW YORK**

\$7,924,000*

**PUBLIC IMPROVEMENT SERIAL BONDS – 2021
(the “Bonds”)**

Dated Date: Date of Delivery

Maturity Date: July 15, 2022-2035

The Bonds are general obligations of the Town of Kent, Putnam County, New York (the “Town”), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended, (the “Tax Levy Limit Law”). (See “Tax Levy Limit Law” herein.)

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on July 15, 2022 and thereafter semiannually on January 15 and July 15 in each year until maturity. The Bonds shall mature on July 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “Optional Redemption” herein.)

The Bonds will be issued in book-entry form and will be registered to Cede & Co. as partnership nominee for DTC. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 or integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds. Purchasers will not receive certificates representing their ownership interests in the Bonds issued in book-entry-only form. Payment of the principal of and interest on such Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds as described herein. (See “Description of Book-Entry System” herein.)

The Bonds are offered when, as and if issued and received by the purchasers and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed upon, on or about July 29, 2021.

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

Dated: July __, 2021

*Preliminary, subject to change.

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

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

<u>Date</u>	<u>Amount⁽¹⁾</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number⁽³⁾</u>
2022	\$214,000	%	%	
2023	580,000			
2024	580,000			
2025	590,000			
2026	590,000			
2027	595,000			
2028	600,000			
2029	605,000			
2030 ⁽²⁾	615,000			
2031 ⁽²⁾	620,000			
2032 ⁽²⁾	630,000			
2033 ⁽²⁾	640,000			
2034 ⁽²⁾	650,000			
2035 ⁽²⁾	415,000			

- (1) The principal amounts of the Bonds are subject to adjustment following the sale of the Bonds, pursuant to the terms of the Notice of Sale accompanying the Bonds.
- (2) The Bonds maturing in the years 2030 and thereafter will be subject to redemption prior to maturity, as described herein (see "*Optional Redemption*").
- (3) Copyright 1999-2013, Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP number has been assigned by an independent company not affiliated with the Town and is included solely for the convenience of the owners of the Bonds. The Town is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

**TOWN OF KENT
PUTNAM COUNTY, NEW YORK**

Supervisor
MAUREEN FLEMING

Town Board
**WILLIAM HUESTIS
PAUL DENBAUM
JAIME McGLASSON
CHRISTOPHER RUTHVEN**

Town Clerk
LANA CAPPELLI

Receiver of Taxes
JEAN JOHNSON

Town Attorney
NANCY TAGLIAFIERRO, ESQ.

Director of Finance
YULIA KELLY

Bond Counsel
**HAWKINS DELAFIELD & WOOD LLP
NEW YORK, NEW YORK**

MUNICIPAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(516) 274-4502

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

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OFFICIAL STATEMENT

TOWN OF KENT PUTNAM COUNTY, NEW YORK

relating to

\$7,924,000*

PUBLIC IMPROVEMENT SERIAL BONDS – 2021

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Kent, in the County of Putnam, in the State of New York (the “Town”, “County” and “State,” respectively) in connection with the sale of \$7,924,000* Public Improvement Serial Bonds – 2021 (the “Bonds”).

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

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 Town’s overall economic situation and outlook (and all of the specific Town-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. (See “*Risk Factors*” and “*Impacts of COVID-19*” herein.)

THE BONDS

Description

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on July 15, 2022, and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds shall mature on July 15 in each year in the principal amounts specified on the inside cover page hereof. The Bonds maturing in the years 2022 to 2029, inclusive, will not be subject to redemption prior to maturity. The Bonds maturing in the years 2030 and thereafter will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as Securities Depository (defined herein) for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof, except for one necessary odd denomination in the first maturity of the Bonds.

Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants (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 Town referred to therein.

*Preliminary, subject to change.

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

The Town will act as Paying Agent for the Bonds. The Town’s contact information is as follows: Yulia Kelly, Director of Finance, 25 Sybil’s Crossing, Kent Lakes, NY 10512, Phone: (845) 306-5588, Fax: (845) 306-5621.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the Town Law, the Local Finance Law and various bond resolutions duly adopted by the Town Board as set forth below. A portion of the proceeds of the Bonds in the amount of \$2,924,000, together with \$76,000 in available funds, will be used to redeem the Town’s outstanding \$3,000,000 Bond Anticipation Notes – 2020 which mature on July 30, 2021. The remaining portion of the proceeds of the Bonds in the amount of \$5,000,000 will be used to provide original or additional original financing for the objects or purposes as shown below.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount to Bonds</u>
02/19/19	08/02/19	Construction of Roof Canopy	\$ 60,000	\$ 3,000	\$ -0-	\$ 57,000
02/19/19	08/02/19	Construction of Road Improvements	1,440,000	73,000	-0-	1,367,000
11/19/19	07/30/20	Acquisition of Highway Equipment	500,000	-0-	-0-	500,000
11/19/19	07/30/20	Construction of Road Improvements	1,000,000	-0-	-0-	1,000,000
05/04/21	07/29/21	Construction of Additions and Alterations to Highway Garage	-0-	-0-	3,210,000	3,210,000
05/04/21	07/29/21	Reconstruction of a Wall	-0-	-0-	175,000	175,000
05/04/21	07/29/21	Construction of Road Improvements	-0-	-0-	1,150,000	1,150,000
05/04/21	07/29/21	Acquisition of Highway Equipment	-0-	-0-	465,000	465,000
Totals:			<u><u>\$3,000,000</u></u>	<u><u>\$76,000</u></u>	<u><u>\$5,000,000</u></u>	<u><u>\$7,924,000</u></u>

Optional Redemption

The Bonds maturing on or before July 15, 2029 are not subject to redemption prior to maturity. The Bonds maturing on or after July 15, 2030 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after July 15, 2029, 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.

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

Nature of Obligation

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Bonds, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See “*Tax Levy Limit Law*” herein.)

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

Description of Book-Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (hereinafter in this section referred to as the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds of a series in the aggregate amount of such issue and will be deposited with DTC.

DTC 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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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. (or any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on 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 Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Town or Agent, 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 securities depository with respect to the Securities at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

Source: The Depository Trust and Clearing Company.

REMEDIES UPON DEFAULT

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

constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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

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

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

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

service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

NO PAST DUE DEBT

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

MUNICIPAL BANKRUPTCY

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

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

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

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness for the cities of Yonkers, Troy and Buffalo and for the counties of Nassau and Erie.

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

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

FINANCIAL CONTROL BOARDS

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

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

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

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

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

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

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. 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. 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 on the Town's operations and finances as a result of COVID-19 is extremely difficult to predict due to uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*Impact of COVID-19*" herein.)

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town has invested in a cybersecurity policy as of 2018; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

Various notices of claim have been filed with the Town. The allegations set forth in the claims relate to various circumstances including personal injury, condemnation proceedings, civil rights violations and administrative determinations by Town officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the Town.

In the opinion of the Town Attorney, the resolution of such various other claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are immaterial or adequately covered by existing insurance coverage. Pursuant to the Local Finance Law, the Town is authorized to issue debt to finance judgments and claims, if necessary.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal

Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town and others in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

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

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town with respect to the Bonds, the form of which is set forth in Appendix D hereto.

DISCLOSURE UNDERTAKING

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

RATING

On July 6, 2021, Moody's Investors Service ("Moody's") affirmed its rating of "Aa2" on the Town's outstanding, uninsured indebtedness and applied such rating to the Bonds.

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

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The

Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the Town. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained from Yulia Kelly, Director of Finance, 25 Sybil's Crossing, Kent Lakes, NY 10512, Phone: (845) 306-5588, Fax: (845) 306-5621 or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 570-0340.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or holders of any of the Bonds.

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

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Estimates and Forecasts. The statements contained in this Official Statement and the appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the Town assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

TOWN OF KENT
PUTNAM COUNTY, NEW YORK

By: _____
Maureen Fleming
Supervisor

DATED: July ___, 2021

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town encompasses approximately 40 square miles and is located in the north central portion of Putnam County. The Town is approximately 60 miles north of Manhattan and 10 miles from Danbury, Connecticut. The Town is a suburban community and is primarily residential in nature.

Form of Town Government

The Town of Kent was established in 1795 by the State as a separate political entity vested with independent taxing and debt authority. There are no incorporated villages situated within the Town's borders. The Town has portions of two independently governed school districts which rely on taxing powers granted by the State to raise revenues for school district purposes. The school districts use the Town's assessment roll as the basis for taxation of property within the Town.

Governmental operations of the Town are subject to the provisions of the State constitution and various statutes affecting local governments including the Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Real Property Tax Law. The Town is classified as a first-class town under the provisions of the Town Law. The primary effect of first-class status is to give greater flexibility to the way in which town government is organized and managed.

Financial Organization

Pursuant to Local Law No. 12, 1974 of the Town, certain of the financial functions of the Town are the responsibility of the Director of Finance. The Supervisor, however, is the chief fiscal and budget officer of the Town. The Director of Finance, who is responsible to the Town Board, also acts as the accounting officer of the Town. The duties of the Director of Finance include administration, direction and control of the following divisions: Audit and Payroll.

Employees

The Town employs approximately 82 full-time and 45 part-time employees (includes seasonal). Some employees are represented by collective bargaining organizations as shown below.

Union Contracts

<u>Bargaining Unit</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
United Federation of Police Officers (Dispatchers)	5	12/31/2022
Police Benevolent Association	19	12/31/2022
Teamsters – Local 456	38	12/31/2022

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "Retirement System" or "ERS"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through

annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute 3% of gross annual salary toward the cost of retirement programs until they attain ten years in the Retirement System, at such time contribution become voluntary. Members hired after January 1, 2010 must contribute 3%, or more of their gross annual salary toward the cost of retirement programs for the duration of their employment.

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

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year are based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. The law also requires a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town generally opts to prepay its pension payments in December in order to take advantage of the discount. The Town prepaid its employer contribution in December 2019.

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

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town does not currently amortize any pension payments.

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

Other Post Employment Benefits

The Town implemented GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), which replaces GASB Statement No. 45 as of fiscal year ended December 31, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

The Town's total OPEB liability as of December 31, 2019 was \$63,177,019 using a discount rate of 2.90% and actuarial assumptions and other inputs as described in the Town's December 31, 2019 audited financial statements.

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

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

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

FINANCIAL FACTORS

Financial Statements

The Town retains independent Certified Public Accountants to conduct audits of its financial operations. The last such audit covers the fiscal year ended December 31, 2019. The audit was prepared in compliance with GASB 34. The Town expects the audit for the fiscal year ended December 31, 2020 to be completed on August 15, 2021.

The Town also prepares and files annually with New York State an Annual Financial Report Update Document ("AUD"). The AUD is not audited and is not prepared in accordance with GAAP. The AUD for the fiscal year ended December 31, 2020 was filed on April 30, 2021, and is available upon request.

Summary statements of the results of operations for various funds and budgets for various funds, shown in the Appendices of the Official Statement, have been derived from the annual and audited financial reports and budgets of the Town and are provided in memorandum form for information only. It is not implied, by inclusion of these statements that the individual funds included performed individually in accordance therewith.

Budgetary Procedures

The Supervisor, with the assistance of the Director of Finance, prepares a tentative budget each year and holds a public hearing thereon. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions

outlined in the new law. All budgets of the Town adopted in accordance with the procedure discussed herein must comply with the requirements of the new law. (See “*The Tax Levy Limit Law*” herein).

Investment Policy

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

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

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

The Town's investments are governed by a formal written investment policy, which is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies authorized to do business in the State of New York and located within the Town. The Town limits its investments to time deposit accounts and certificates of deposit and repurchase agreements.

It is the Town's policy to require collateral for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Towns.

The Town's investment policy does not permit the Town to invest in so-called derivatives or reverse repurchase agreements and the Town has never invested in derivatives or reverse repurchase agreements.

Impacts of COVID-19

The Town has incurred certain expenses associated with the COVID-19 pandemic, including but not limited to, costs related to cleaning equipment, cleaning supplies and personal protective equipment. The Town has paid such costs from budgetary appropriations and/or available funds. The Town's State Aid for the 2020 fiscal year was not reduced and the Town does not expect a reduction in State aid during the 2021 fiscal year. The Town has also experienced revenue losses from interest earnings, permit fees, fines and various recreation revenues due to the COVID-19 pandemic. The Town does not believe that the increased costs or the potential reductions in State aid or other revenues described above will have a material adverse impact on the finances of the Town.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches,

the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2024.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer, and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

Currently, the Town is awaiting additional guidance from the Federal Government on how to utilize these funds. Once this guidance is received, the Board will be able to determine how these funds will be utilized.

Real Property Taxes

The Town derives a major portion of its revenues from a tax on real property. (See “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B, herein). Property taxes accounted for 77.80% of total general fund revenues for the fiscal year ended December 31, 2020, *based on preliminary, unaudited results*. On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the Town. (See “*Tax Levy Limit Law*” herein).

The following table sets forth total General Fund revenues and real property taxes received for each of the last five audited fiscal years, the most recent unaudited fiscal year, and the amounts budgeted for the current fiscal year.

General Fund Revenues & Real Property Taxes

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues</u>	Real Property <u>Taxes</u>	Ratio of Real Property Taxes to <u>Total Revenues</u>
2015	\$10,106,785	\$7,882,261	77.99%
2016	10,034,287	7,879,916	78.53
2017	9,951,952	7,866,618	79.05
2018	10,231,928	7,874,589	76.96
2019	10,323,561	7,865,532	76.19
2020 (Unaudited)	10,149,931	7,897,045	77.80
2021 (Adopted Budget)	10,398,364 ⁽¹⁾	7,921,797	78.24

(1) Excludes appropriated fund balance.

Source: Audited Financial Statements, Town AUD and Adopted Budget of the Town. Summary is not audited. Unaudited results are subject to change pending the completion of the audit.

State Aid

The Town receives financial assistance from the State. State aid accounted for approximately 4.12% (exclusive of Local aid component which is comprised of primarily sales tax) of the total General Fund revenues of the Town for the fiscal year ended December 31, 2020, *based on preliminary, unaudited results*.

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The following table sets forth total General Fund revenues, State aid and Mortgage tax received for each of the last five audited fiscal years, the most recent unaudited fiscal year, and the amounts budgeted for the current fiscal year.

General Fund Revenues & State Aid

Fiscal Year <u>Ended December 31:</u>	Total <u>Revenues</u>	<u>State Aid</u> ⁽¹⁾	Ratio of State Aid to <u>Total Revenues</u>
2015	\$10,106,785	\$352,849	3.49%
2016	10,034,287	354,381	3.53
2017	9,951,952	417,206	4.19
2018	10,231,928	394,698	3.86
2019	10,323,561	329,613	3.19
2020 (Unaudited)	10,149,931	418,262	4.12
2021 (Adopted Budget)	10,398,364 ⁽²⁾	381,210	3.54

(1) Excludes Local aid components (primarily sales tax revenues) which are reflected as Non-Property Tax Items in the Town’s Audited Financial Statements and AUD.

(2) Excludes appropriated fund balance.

Source: Audited Financial Statements, Town AUD and Adopted Budget of the Town. Summary is not audited. Unaudited results are subject to change pending the completion of the audit.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurances that the State’s financial position will not change materially or adversely from current projections. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “*Risk Factors*” herein.)

The Governor’s Executive Budget for the State’s 2019-2020 fiscal year included the elimination of State Aid and Incentives for Municipalities (“AIM”) for certain municipalities, including the Town. However, in the State’s final 2019-2020 Executive Budget, additional sales tax revenue from the elimination of the internet tax advantage will be used to keep towns and villages whole.

The Governor’s Executive Budget for the State’s 2021-2022 fiscal year maintains the Aid and Incentives for Municipalities (“AIM”) Related Revenue Sharing consistent with the 2020-2021 Enacted Budget.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State’s 2019-2020 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its

subdivisions by \$850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by \$850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

The State's 2020-2021 Adopted Budget authorized the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provided that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provided that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

The State's 2021-22 Enacted Budget provides \$10.8 billion in State funding to local governments. This funding available for use over multiple years, is designed to support essential workers and government employees, assist COVID-19 vaccination efforts, boost local economies, and support local government services.

The amount of State aid to Towns is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has 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 for an extended period. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of local governments in the State, including the Town.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

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

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

according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as “no designation” with a Fiscal Score of 10.0% and an Environmental Score of 23.3% for the fiscal year ended December 31, 2019.

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The most recent audit on the Town was released on August 4, 2017. The purpose of the audit was to evaluate controls over procurement and information technology (IT) for the period January 1, 2016 through January 25, 2017. A copy of the report of the State Comptroller is available upon request.

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

TAX INFORMATION

Valuations and Tax Data

The following table shows the trend during the last five years for taxable assessed valuations, State equalization ratios, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation.

Valuations and Tax Data

(For the Fiscal Years Ending December 31:)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Value	\$1,414,020,516	\$1,417,580,668	\$1,532,949,317	\$1,525,102,466	\$1,529,280,700
Equal. Ratio	100.00%	100.00%	100.00%	95.85%	91.25%
Full Value	1,414,020,516	1,417,580,668	1,532,949,317	1,591,134,550	1,675,924,055
Tax Levy:					
Town: General Fund	7,882,261	7,882,261	7,882,261	7,921,797	7,921,797
Highway Fund	3,570,420	3,570,420	3,570,420	3,570,420	3,570,420
Special Dist. Fund	3,289,112	3,337,654	3,301,104	3,336,037	3,336,037
Tax Rate ⁽¹⁾	\$8.10	\$8.08	\$7.47	\$7.52	\$7.49

(1) Per \$1,000 assessed valuation of the Town – General and Highway Funds.

Source: Town of Kent, Office of the Director of Finance.

Tax Collection Procedure

Property taxes for Towns in the County are responsible to assess all real property within their boundaries and to collect real property taxes and assessments, including those for school district and County purposes, during the times prescribed by law. Town and County real property taxes as well as Town special district assessments are levied on January 1 and become a lien against the property on this date. Tax bills include all taxes and assessments due to the Town and County. Pursuant to the Real Property Tax Law, taxes and assessments are due on January 1 and may be paid, without interest, at any time during the month of January. Payments received after January 31 must include interest at a rate of 1% per month. Taxpayers may elect to pay their taxes in two installments by paying 50% of the total tax due on or before January 31. The second installment may be paid to the Town on any date prior to August 1 with interest at 1% per month from February 1.

The Town collects County and school taxes, however, the County guarantees both Town and school district taxes and enforces the collection thereof. The Town retains the first moneys collected from the combined Town and County tax bills and therefore receives 100% of its levy. School taxes are paid over to schools only as collected by the Town. Unpaid school taxes are the County's responsibility. The Town collects all taxes (both installment and non-installment from January 1 until April 1 (Statutory date which historically has been extended by the County to May 1). The Town transmits a list of wholly unpaid taxes to County on or about April 1. Accrued interest on such wholly unpaid taxes is deducted by the Town from moneys otherwise payable to the County. A 5% penalty is added to such taxes by the County, which collects these taxes with interest computed at 1% per month from February 1. The Town continues to collect the second installment through July 31. Because the Town's levy is usually satisfied by February or March, these taxes are held and periodically paid over to the County. A listing of unpaid second installments together with the tax rolls are transmitted to the County shortly after July 31. The County adds a 5% penalty to unpaid installment taxes and continues to collect these and wholly unpaid taxes until the tax sale. Such tax sale is generally held in December of each year.

Largest Taxpayers

The following table presents the taxable assessments of the Town's ten largest taxpayers for the 2021 fiscal year:

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation⁽¹⁾</u>
City of New York	Water Supply	\$106,304,659	6.95%
State of New York	Parkland	\$28,344,100	1.85
NYSEG	Public Utility	12,448,501	0.81
Con Ed	Public Utility	4,405,610	0.29
Gipsy Trail Club	Homeowners Assoc.	3,247,787	0.21
Anne Ackerley	Private Property	2,705,900	0.18
Palushaj Enterprises	Residential	2,698,000	0.18
Bonnie Weck	Private Property	2,600,000	0.17
Putnam County Savings	Financial	2,389,154	0.16
Twin Brooks Park	Residential	<u>2,388,599</u>	<u>0.16</u>
	Total:	<u>\$167,532,310</u>	<u>10.95%</u>

(1) The total 2021 assessed value of the Town's General Fund is \$1,529,280,700.

The Tax Levy Limit Law

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

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof. The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes

determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, a local law to override such limit for such coming fiscal year. The Town has not exceeded the cap imposed by the Law in any of the past five years.

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

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

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

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under “*Nature of Obligation*”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Chapter 97 of the New York Laws of 2011, as

amended, imposes a statutory limitation on the Town's power to increase its annual tax levy. (See "*Tax Levy Limit Law*" herein).

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

Statutory Procedure

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

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

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

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

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits bond anticipation notes to be issued. Bond anticipation notes may be renewed each year, provided annual principal installment payments are made in reduction of the total amount of such notes, commencing no later than two years after the date of the first of such notes and provided that, other than for assessable projects, such renewals do not extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein.)

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

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

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Constitutional Debt-Contracting Limitation

The following table sets forth the current debt-contracting limitation of the Town.

Debt Contracting Limitation

Fiscal Year Ended <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Ratio</u> ⁽¹⁾	Full <u>Valuation</u>
2017	\$1,414,020,516	100.00%	\$1,414,020,516
2018	1,417,580,668	100.00	1,417,580,668
2019	1,532,949,317	100.00	1,532,949,317
2020	1,525,102,466	95.85	1,591,134,550
2021	1,529,280,700	91.25	<u>1,675,924,055</u>
Total Five-Year Full Valuation			\$7,631,609,106
Average Five-Year Full Valuation			\$1,526,321,821
Debt Contracting Limitation - 7% of Average Full Valuation			<u>\$ 106,842,528</u>

⁽¹⁾ Equalization rates are established by the New York State Board of Real Property Services.

Source: Town of Kent, Town Receiver of Taxes Office and the New York State Board of Real Property Services.

Debt Statement Summary

The following table sets forth the computation of the debt limit of the Town and its debt contracting margin as of July 6, 2021.

Five Year Average Full Valuation of Taxable Real Property	\$1,526,321,821
Debt limit (7% thereof)	106,842,528
Outstanding Indebtedness ⁽¹⁾⁽²⁾ (Principal Only):	
Bonds Outstanding	\$ 525,000
Bond Anticipation Notes.....	<u>3,000,000</u>
Total Indebtedness	\$3,525,000
Excluded Indebtedness ⁽¹⁾ (Principal Only):	
Appropriations	\$ 265,000
Total Net Indebtedness.....	<u>3,260,000</u>
Net Debt Contracting Margin.....	<u>\$ 103,582,527</u>
Percentage of Debt Contracting Power Exhausted.....	3.05%

(1) Tax anticipation notes and revenue anticipation notes are not included in the computation of the statutory debt limit of the Town.

(2) Does not include pension payments amortized with New York State. (See “*Status and Financing of Employee Pension Benefits*” herein).

Bond Anticipation Notes

On July 30, 2020, the Town issued \$3,000,000 Bond Anticipation Notes – 2020 which mature on July 30, 2021. A portion of the proceeds of the Bonds in the amount of \$2,924,000, together with \$76,000 in available funds, will be used to redeem such bond anticipation notes. (See “*Authority for and Purpose of the Bonds*” herein.)

Trend of Outstanding Indebtedness

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Bonds	\$1,655,000	\$1,360,000	\$1,075,000	\$ 795,000	\$ 525,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>3,000,000</u>
Total Debt Outstanding	<u>\$1,655,000</u>	<u>\$1,360,000</u>	<u>\$1,075,000</u>	<u>\$2,295,000</u>	<u>\$3,525,000</u>

(1) Unaudited.

Source: Town Financial Records.

Overlapping and Underlying Debt

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County, as well as various villages, school districts, and fire districts. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt issued and outstanding by such overlapping entities.

Statement of Direct and Estimated Overlapping Indebtedness

Gross Direct Indebtedness	\$3,525,000
Exclusions and Deductions	<u>265,000</u>
Net Direct Indebtedness	<u>\$3,260,000</u>

Overlapping Debt

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>As of</u>	<u>Amount Applicable To Town</u>
Putnam County	\$47,560,000	11.37%	07/31/20	\$ 6,021,907
Carmel School District	27,375,000	54.46	05/25/21	16,103,822
Wappingers School District	89,996,418	0.07	06/18/20	62,997
Kent Fire District	0	100.00	12/31/20	0
Lake Carmel Fire District	0	100.00	12/31/20	<u>0</u>
Total Net Overlapping Debt				20,378,994
Total Net Direct Debt				<u>3,260,000</u>
Total Net Direct and Overlapping Debt				<u>\$23,638,994</u>

Debt Ratios

The following table presents certain debt ratios relating to the Town's direct and overlapping indebtedness as of July 6, 2021.

Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 3,260,000	\$ 247.68	0.19%
Net Direct and Overlapping Debt	23,638,994	1,796.00	1.41

(1) The population of the Town is 13,162 according to the U.S. Census Bureau.

(2) The full value of real property located in the Town for the 2021 fiscal year is \$1,675,924,055.

Debt Service Schedule

The following table sets forth the annual debt service requirements on all outstanding long-term Town general obligation bonds, exclusive of the Bonds and of all economically defeased obligations.

Bond Principal and Interest Maturity Table

Fiscal Ended <u>December 31:</u>	Principal <u>Outstanding</u>	Interest <u>Outstanding</u>	Total Debt <u>Service</u>
2021 ⁽¹⁾	\$265,000	\$15,750	\$280,750
2022	<u>260,000</u>	<u>7,800</u>	<u>267,800</u>
Totals	<u>\$525,000</u>	<u>\$23,550</u>	<u>\$548,550</u>

(1) For the entire fiscal year.

Source: Town of Kent, Office of the Director of Finance.

Authorized but Unissued Debt

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

ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

The following table presents population trends for the Town, County and State.

	<u>Town</u>	<u>County</u>	<u>State</u>
1990	13,183	83,941	18,044,505
2000	14,009	95,745	18,976,457
2010	13,507	99,710	19,378,102
2019	13,162	98,320	19,453,561

Source: U.S. Census Bureau.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town. The information set forth below with respect to the County and State is included for information purposes only. It should not be implied from the inclusion of such data that the County or State is necessarily representative of the Town, or vice versa. Unemployment drastically increased in March 2020 due to the COVID-19 global pandemic.

Yearly Average Unemployment Rates

<u>Year</u>	<u>County</u>	<u>State</u>
2016	4.1%	4.9%
2017	4.2	4.6
2018	3.7	4.1
2019	3.5	3.8
2020	7.6	10.0

Monthly Unemployment Rates

<u>Month</u>	<u>County</u>	<u>State</u>
June 2020	11.1%	14.8%
July	11.1	14.8
August	8.5	11.6
September	5.7	9.9
October	5.2	8.3
November	5.2	8.3
December	5.2	8.5
January 2021	5.7	9.4
February	6.2	9.7
March	5.4	8.4
April	4.8	7.7
May	N/A	6.9

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

Utilities

NYSEG, Central Hudson Gas and Electric, Verizon and Comcast provide residents with basic utilities. Water and sewer service is comprised of largely private systems, however, certain areas of the Town receive water provided through special districts.

Transportation

The Town is served by all major forms of transportation. Highway facilities include Interstate 84, State Route 52 and Taconic Parkway (generally limited to passenger vehicles) running through the Town while Interstate 684 is nearby. Commuter rail transportation is provided by the Harlem Division of the Metropolitan Transportation Authority. Freight rail service is provided by Conrail. Domestic and international airline service is available at the New York airports (LaGuardia Airport, Newark Airport and Kennedy International Airport) which are located within one-hour travel time. Additional air service is available at the Westchester County Airport situated 40 miles south of the Town and Stewart International Airport located approximately 25 miles away in Newburgh, New York.

Financial Institutions

Various banking facilities are available in the Town and adjacent areas. Many of the State's major commercial banks have branch offices located in the area. J.P. Morgan Chase, Key Bank, Tompkins Mahopac Bank, Wells Fargo, the Putnam County National Bank and the Putnam County Savings Bank are all located within the general vicinity.

End of Appendix A

APPENDIX B

SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS
(Summary itself is not audited.)

TOWN OF KENT
General Fund
Summary of Budgeted Revenues and Expenditures
Fiscal Years Ending December 31:

	<u>2020</u>	<u>2021</u>
Revenues:		
Real Property Taxes	\$ 7,921,797	\$ 7,921,797
Real Property Tax Items	45,000	45,000
Non-Property Tax Items	281,000	276,000
Intergovernmental Services	2,250	2,250
Departmental Income	751,400	681,050
Use of Money and Property	160,150	144,452
Licenses And Permits	3,500	3,500
Fines And Forfeitures	678,956	670,000
State Aid	381,210	381,210
Miscellaneous	0	0
Appropriated Fund Balance	528,705	273,105
	<hr/>	<hr/>
Totals	<u><u>\$ 10,753,968</u></u>	<u><u>\$ 10,398,364</u></u>
 Expenditures:		
General Government Support	\$ 3,253,704	\$ 3,286,533
Public Safety	4,233,062	4,261,634
Health	10,594	10,726
Transportation	227,146	227,146
Economic Assistance and Opportunity	26,900	26,900
Culture and Recreation	1,288,333	1,273,432
Home and Community Services	222,195	235,957
Employee Benefits	660,251	670,900
Interfund Transfers	537,933	124,386
Debt Service	293,850	280,750
	<hr/>	<hr/>
Totals	<u><u>\$ 10,753,968</u></u>	<u><u>\$ 10,398,364</u></u>

Source: Adopted Budgets of the Town of Kent.

TOWN OF KENT
Combined Highway and Other Districts⁽¹⁾ Funds
Summary of Budgeted Revenues and Expenditures
Fiscal Years Ending December 31:

	<u>2020</u>	<u>2021</u>
Revenues:		
Real Property Taxes	\$ 7,395,857	\$ 7,401,767
Departmental Income	7,000	7,000
Use of Money and Property	15,027	14,967
Sale of Property and Compensation For Loss	17,000	27,000
Interfund Revenues	127,933	124,386
Appropriated Fund Balance	138,275	139,695
	<hr/>	<hr/>
Totals	<u>\$ 7,701,092</u>	<u>\$ 7,714,815</u>
Expenditures:		
General Government Support	\$ 9,751	\$ 9,911
Public Safety	1,417,615	1,440,069
Transportation	2,648,017	2,714,361
Culture and Recreation	464,071	423,405
Home and Community Services	1,357,007	1,366,730
Employee Benefits	1,648,868	1,636,992
Interfund Transfers	50,000	30,142
Debt Service	105,763	93,205
	<hr/>	<hr/>
Totals	<u>\$ 7,701,092</u>	<u>\$ 7,714,815</u>

(1) Inclusive of Water, Fire, Park, Sewer and Sanitation Districts.

Source: Adopted Budgets of the Town of Kent.

TOWN OF KENT
Comparative Balance Sheets - General Fund
Fiscal Years Ended December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Assets:						
Cash and Equivalents	\$ 2,074,117	\$ 2,834,726	\$ 4,447,321	\$ 639,680	\$ 1,494,210	\$ 5,347,637
Investment	-	-	-	4,559,255	\$ 4,654,211	\$ 143
Accounts Receivable	157,836	133,923	209,087	210,633	213,409	179,312
State and Federal Aid Receivable	6,872	16,872	21,872	21,872	6,871	6,871
Due From Other Funds	2,983,809	2,948,099	1,052,712	261,378	13,148	31,916
Inventory of Material and Supplies	198,640	212,077	218,657	241,332	251,686	264,876
Prepaid Expenses	354,751	346,638	313,294	344,125	301,229	323,924
Total Assets	<u>\$ 5,776,025</u>	<u>\$ 6,492,335</u>	<u>\$ 6,262,943</u>	<u>\$ 6,278,275</u>	<u>\$ 6,934,764</u>	<u>\$ 6,154,679</u>
Liabilities:						
Accounts Payable	\$ 154,769	\$ 319,958	\$ 177,230	\$ 497,366	\$ 198,748	\$ 225,373
Accrued Liabilities	169,125	181,203	197,416	209,962	239,782	80,853
Due To Other Funds	14,478	25,425	22,745	258,049	637,116	290,813
Unearned revenues	0	0	0	0	30,455	-
Deposits payable	0	0	0	0	706,587	734,577
Employee benefits payable	0	0	0	0	489	-
Total Liabilities	<u>338,372</u>	<u>526,586</u>	<u>397,391</u>	<u>965,377</u>	<u>1,813,177</u>	<u>1,331,616</u>
Deferred Inflows of Resources	0	0	0	0	109,646	7,166
Fund Balances:						
Nonspendable	\$ 553,391	\$ 558,715	\$ 531,951	\$ 585,457	\$ 552,915	\$ 588,800
Restricted	188,401	188,684	188,967	189,534	190,482	191,434
Assigned	232,666	330,499	441,723	516,160	670,882	579,207
Unassigned	4,463,195	4,887,851	4,702,911	4,021,747	3,597,662	3,456,456
Total Fund Balances	<u>5,437,653</u>	<u>5,965,749</u>	<u>5,865,552</u>	<u>5,312,898</u>	<u>5,011,941</u>	<u>4,815,897</u>
Total Liabilities and Fund Balances	<u>\$ 5,776,025</u>	<u>\$ 6,492,335</u>	<u>\$ 6,262,943</u>	<u>\$ 6,278,275</u>	<u>\$ 6,934,764</u>	<u>\$ 6,154,679</u>

(1) Unaudited.

Source: Audited and Unaudited Financial Statements of the Town of Kent. Summary itself is not audited.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Revenues:						
Real Property Taxes	\$ 7,882,261	\$ 7,879,916	\$ 7,866,618	\$ 7,874,589	\$ 7,865,532	\$ 7,897,045
Other Real Property Tax Items	44,933	48,538	51,031	42,899	56,933	54,397
Non-Property Tax Items	280,587	290,061	292,549	278,773	275,377	265,597
Intergovernmental charges	0	0	0	0	0	2,393
Departmental Income	813,124	636,378	616,872	782,786	766,918	643,229
Use of Money and Property	75,373	90,905	91,502	151,908	180,853	121,611
Licenses and Permits	3,346	3,173	4,263	4,890	2,800	1,970
Fines and Forfeitures	526,029	628,571	581,349	675,898	749,112	628,081
Sale of Property and Compensation for Loss	45,567	28,576	28,843	22,346	7,478	2,370
Miscellaneous	82,716	73,788	1,719	3,141	88,945	114,976
Federal, State & County Aid	352,849	354,381	417,206	394,698	329,613	418,262
Total Revenues	<u>\$ 10,106,785</u>	<u>\$ 10,034,287</u>	<u>\$ 9,951,952</u>	<u>\$ 10,231,928</u>	<u>\$ 10,323,561</u>	<u>\$ 10,149,931</u>
Expenditures:						
General Government Support	\$ 3,278,631	\$ 3,070,900	\$ 3,186,010	\$ 3,251,003	\$ 3,308,074	\$ 3,158,321
Public Safety	3,752,071	3,775,211	4,014,958	4,240,169	4,054,509	4,057,580
Health	5,526	5,983	5,353	8,986	10,835	10,152
Transportation	236,533	216,023	247,241	234,134	219,185	231,089
Economic Assistance and Opportunity	25,915	26,150	26,511	26,038	23,961	2,820
Culture and Recreation	1,140,841	1,206,069	1,166,514	1,127,849	1,212,984	1,191,737
Home & Community Services	147,439	167,636	288,112	227,829	239,780	244,450
Employee Benefits	726,441	714,556	639,287	644,281	703,822	630,889
Debt Service	339,363	323,663	338,163	322,263	310,850	293,850
Total Expenditures	<u>\$ 9,652,760</u>	<u>\$ 9,506,191</u>	<u>\$ 9,912,149</u>	<u>\$ 10,082,552</u>	<u>\$ 10,084,000</u>	<u>\$ 9,820,888</u>
Other Financing Sources (Uses)						
Operating Transfers In	0	0	0	0	0	0
Operating Transfers Out	(6,000)	0	(140,000)	(702,030)	(540,518)	(537,933)
Debt Proceeds/Redemptions	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>(6,000)</u>	<u>0</u>	<u>(140,000)</u>	<u>(702,030)</u>	<u>(540,518)</u>	<u>(537,933)</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses						
	448,025	528,096	(100,197)	(552,654)	(300,957)	(208,890)
Fund Balance - Beg. of Year	<u>4,989,628</u>	<u>5,437,653</u>	<u>5,965,749</u>	<u>5,865,552</u>	<u>5,312,898</u>	<u>5,011,941</u>
Fund Balance - End of Year	<u>\$ 5,437,653</u>	<u>\$ 5,965,749</u>	<u>\$ 5,865,552</u>	<u>\$ 5,312,898</u>	<u>\$ 5,011,941</u>	<u>\$ 4,803,051</u>

(1) Unaudited.

Source: Audited and Unaudited Financial Statements of the Town of Kent. Summary itself is not audited.

TOWN OF KENT
Comparative Balance Sheets - Combined Highway and Other Districts⁽¹⁾ Funds
Fiscal Years Ended December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽²⁾</u>
Assets:						
Cash and Equivalents	\$ 2,880,665	\$ 2,477,754	\$ 2,799,299	\$ 1,405,300	\$ 312,392	\$ 1,161,929
Accounts Receivable	405	38,724	868	267,508	0	9,312
Due From Other Funds	0	91,477	435,166	392,942	1,263,195	800,372
Prepaid Expenses	<u>195,213</u>	<u>181,268</u>	<u>170,059</u>	<u>190,052</u>	<u>181,087</u>	<u>180,854</u>
Total Assets	<u>\$ 3,076,283</u>	<u>\$ 2,789,223</u>	<u>\$ 3,405,392</u>	<u>\$ 2,255,802</u>	<u>\$ 1,756,674</u>	<u>\$ 2,152,467</u>
Liabilities:						
Accounts Payable	\$ 93,260	\$ 373,128	\$ 134,388	\$ 244,693	\$ 148,620	\$ 229,953
Accrued Liabilities	92,179	115,857	171,467	115,504	138,307	56,822
Due To Other Funds	<u>25,083</u>	<u>86,867</u>	<u>1,635,706</u>	<u>443,130</u>	<u>54,141</u>	<u>306,389</u>
Total Liabilities	<u>210,522</u>	<u>575,852</u>	<u>1,941,561</u>	<u>803,327</u>	<u>341,068</u>	<u>593,164</u>
Fund Balances:						
Nonspendable	\$ 195,213	\$ 181,268	\$ 170,059	\$ 190,052	\$ 181,087	\$ 180,854
Restricted	108,659	109,879	110,579	110,689	110,802	111,823
Assigned	2,561,890	1,922,224	1,183,193	1,166,490	1,132,909	1,266,626
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,756)</u>	<u>(9,192)</u>	<u></u>
Total Fund Balances	<u>2,865,762</u>	<u>2,213,371</u>	<u>1,463,831</u>	<u>1,452,475</u>	<u>1,415,606</u>	<u>1,559,303</u>
Total Liabilities and Fund Balances	<u>\$ 3,076,284</u>	<u>\$ 2,789,223</u>	<u>\$ 3,405,392</u>	<u>\$ 2,255,802</u>	<u>\$ 1,756,674</u>	<u>\$ 2,152,467</u>

(1) Inclusive of Water, Fire, Park, Sewer and Sanitation Districts.

(2) Unaudited.

Source: Audited and Unaudited Financial Statements of the Town of Kent. Summary itself is not audited.

TOWN OF KENT
Statement of Revenues, Expenditures and Changes in Fund Balance - Combined Highway and Other Districts⁽¹⁾ Funds
Fiscal Years Ended December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽²⁾</u>
Revenues:						
Real Property Taxes	\$ 7,266,583	\$ 7,305,993	\$ 7,330,587	\$ 7,384,762	\$ 7,352,137	\$ 6,903,275
Other Real Property Tax Items	0	0	0	0	0	0
Non-Property Tax Items	0	0	0	0	0	0
Departmental Income	12,060	5,997	8,225	7,410	6,670	2,524
Intergovernmental charges	0	0	0	0	0	0
Use of Money and Property	6,006	6,990	6,193	15,008	22,695	18,757
Licenses and Permits	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Sale of Property and Compensation for Loss	24,038	16,039	37,633	313,395	42,486	142,657
Interfund Revenues	0	0	0	0	0	0
Federal, State & County Aid	0	0	0	0	1,000	0
Miscellaneous	13,880	5,309	6,416	16,103	24,051	24,029
Total Revenues	<u>\$ 7,322,567</u>	<u>\$ 7,340,328</u>	<u>\$ 7,389,054</u>	<u>\$ 7,736,678</u>	<u>\$ 7,449,039</u>	<u>\$ 7,091,242</u>
Expenditures:						
General Government Support	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,630
Public Safety	1,357,540	1,393,265	1,434,060	1,442,480	1,456,745	980,878
Health	0	0	0	0	0	0
Transportation	2,911,268	3,071,038	3,113,161	3,278,606	3,159,282	2,314,684
Economic Assistance and Opportunity	0	0	0	0	0	0
Culture and Recreation	409,865	472,622	576,878	640,191	424,091	451,329
Home & Community Services	1,467,984	1,442,019	1,347,437	1,365,767	1,379,617	1,520,280
Employee Benefits	1,535,477	1,469,061	1,547,345	1,575,903	1,527,838	1,611,816
Debt Service	71,711	70,714	69,713	67,306	76,653	125,015
Total Expenditures	<u>\$ 7,753,845</u>	<u>\$ 7,918,719</u>	<u>\$ 8,088,594</u>	<u>\$ 8,370,253</u>	<u>\$ 8,024,226</u>	<u>\$ 7,012,632</u>
Other Financing Sources (Uses):						
Operating Transfers In	0	0	0	622,219	538,318	177,933
Operating Transfers Out	(224,000)	(74,000)	(50,000)	0	0	0
Debt Proceeds/Redemptions	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>(224,000)</u>	<u>(74,000)</u>	<u>(50,000)</u>	<u>622,219</u>	<u>538,318</u>	<u>177,933</u>
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses	(655,278)	(652,391)	(749,540)	(11,356)	(36,869)	256,543
Fund Balance - Beg. of Year	<u>3,521,040</u>	<u>2,865,762</u>	<u>2,213,371</u>	<u>1,463,831</u>	<u>1,452,475</u>	<u>1,415,606</u>
Fund Balance - End of Year	<u>\$ 2,865,762</u>	<u>\$ 2,213,371</u>	<u>\$ 1,463,831</u>	<u>\$ 1,452,475</u>	<u>\$ 1,415,606</u>	<u>\$ 1,672,149</u>

(1) Inclusive of Water, Fire, Park, Sewer and Sanitation Districts.

(2) Unaudited.

Source: Audited and Unaudited Financial Statements of the Town of Kent. Summary itself is not audited.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019***

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

<https://emma.msrb.org/P21525344.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PFK O’Connor Davies, LLP, Certified Public Accountants has not been requested by the Town 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 APPROVING LEGAL OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 29, 2021

The Town Board of the
Town of Kent, in the
County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Kent (the “Town”), in the County of Putnam, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$7,924,000 Public Improvement Serial Bonds – 2021 (the “Bonds”) of the Town, dated and delivered on the date hereof.

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

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

1. The Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with

such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

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

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

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

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

“Issuer” shall mean the **Town of Kent**, in the County of Putnam, a municipal corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of July 15, 2021.

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

“Securities” shall mean the Issuer’s **\$7,924,000 Public Improvement Serial Bonds-2021**, dated July 29, 2021, maturing in various principal amounts on July 15 in each of the years 2022 to 2035, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, to the EMMA System:

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the audited financial statements of the Issuer

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

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does

not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading "LITIGATION" and in Appendix A under the headings: "THE TOWN," "FINANCIAL FACTORS," "TAX INFORMATION," "TOWN INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA" and in Appendix B.

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 29, 2021.

TOWN OF KENT

By _____
Supervisor and Chief Fiscal Officer