

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 2, 2021

NEW ISSUES

**RATINGS: SEE “RATINGS” HEREIN
SERIAL AND REFUNDING SERIAL BONDS**

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

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

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

\$7,745,000*

**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2021 SERIES A
(the “Series A Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: September 15, 2022-2041

\$15,450,000*

**PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2021 SERIES B
(the “Series B Bonds” and together with the Series A Bonds, the “Bonds”)**

Date of Issue: Date of Delivery

Maturity Dates: November 1, 2021, then May 1, 2022-2036

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

The Series A Bonds will be dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as shown on the inside cover page hereof, payable semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2022. The Series A Bonds will mature annually on September 15 in each year until maturity, as shown on the inside cover page hereof. The Series A Bonds will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Series B Bonds will be dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as shown on the inside cover page hereof, payable semiannually on May 1 and November 1 in each year until maturity, commencing November 1, 2021. The Series B Bonds will mature on the dates and in the years, as shown on the inside cover page hereof. The Series B Bonds 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”), New York, New York. DTC will act as the securities depository for the Bonds. Individual purchases may be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See “*Book-Entry-Only System*,” herein.)

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Series A Bonds will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed with the purchasers on or about September 23, 2021. It is anticipated that the Series B Bonds will be available for delivery through the facilities of DTC in New York, New York or as otherwise agreed with the purchasers on or about October 5, 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”) EXCEPT FOR CERTAIN INFORMATION IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS PRELIMINARY OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE TOWN’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: September __, 2021

* Preliminary, subject to change.

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

The Series A Bonds will mature on September 15, subject to redemption prior to maturity, in the following years and principal amounts:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield Or Price</u>	<u>CUSIP*** Number</u>
2022	\$345,000			
2023	345,000			
2024	345,000			
2025	350,000			
2026	350,000			
2027	355,000			
2028	360,000			
2029	365,000			
2030**	370,000			
2031**	375,000			
2032**	385,000			
2033**	390,000			
2034**	400,000			
2035**	405,000			
2036**	415,000			
2037**	420,000			
2038**	430,000			
2039**	440,000			
2040**	445,000			
2041**	455,000			

The Series B Bonds will mature, subject to redemption prior to maturity, on the dates in the following years and principal amounts:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield Or Price</u>	<u>CUSIP*** Number</u>
November 1, 2021	\$35,000			
May 1, 2022	1,080,000			
May 1, 2023	1,155,000			
May 1, 2024	1,210,000			
May 1, 2025	1,330,000			
May 1, 2026	1,395,000			
May 1, 2027	1,475,000			
May 1, 2028	1,550,000			
May 1, 2029	1,630,000			
May 1, 2030**	1,695,000			
May 1, 2031**	445,000			
May 1, 2032**	460,000			
May 1, 2033**	480,000			
May 1, 2034**	490,000			
May 1, 2035**	500,000			
May 1, 2036**	520,000			

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the respective accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

** The Bonds maturing in the year 2030 and thereafter will be subject to optional redemption prior to maturity, as described herein. (See “*Optional Redemption*” herein.)

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

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

TOWN BOARD

**Michael B. Specht
Supervisor**

Brendel Logan..... Deputy Supervisor

Michael Rossman..... Board Member

David Wanounou Board Member

Yehuda Weissmandl Board Member

Sharon Osherovitz..... Town Clerk

John Lynch..... Comptroller

Dennis Lynch..... Town Attorney

BOND COUNSEL

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

INDEPENDENT AUDITOR

**BST & Co. CPAs, LLP
Albany, New York**

MUNICIPAL ADVISOR



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

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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information 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 hereon.

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APPENDIX A

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OFFICIAL STATEMENT
of the
TOWN OF RAMAPO
ROCKLAND, NEW YORK

relating to
\$7,745,000*
PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2021 SERIES A
(the "Series A Bonds")
and
\$15,450,000*
PUBLIC IMPROVEMENT REFUNDING (SERIAL) BONDS, 2021 SERIES B
(the "Series B Bonds" and together with the Series A Bonds, the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Town of Ramapo, in the County of Rockland, in the State of New York (the "County" and "State", respectively), in connection with the sale of \$7,745,000* Public Improvement (Serial) Bonds, 2021 Series A and \$15,450,000* Public Improvement Refunding (Serial) Bonds, 2021 Series B (the "Series B Bonds" and together with the Series A Bonds, the "Bonds").

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the 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 Series A Bonds will be dated their Date of Delivery, will bear interest from such date payable semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2022 and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Series A Bonds maturing in the years 2022 to 2029, inclusive, will not be subject to redemption prior to maturity. The Series A Bonds maturing in the years 2030 and thereafter will be subject to redemption prior to maturity as described herein. (See "*Optional Redemption*" herein).

* Preliminary, subject to change.

The Series B Bonds will be dated their Date of Delivery, will bear interest from such date payable semiannually on May 1 and November 1 in each year until maturity, commencing November 1, 2021 and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Series B Bonds maturing in the years 2021 to 2029, inclusive, will not be subject to redemption prior to maturity. The Series B 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 as registered bonds, registered to the Depository Trust Company (“DTC”).

The Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

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

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

Authority for and Purpose of the Series A Bonds

The Series A Bonds are issued pursuant to the State Constitution and statutes of the State, including among others, the Town Law and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York and other proceedings and determinations relating thereto, including bond resolutions adopted by the Town Board on their respective dates. A \$920,000 portion of the proceeds from the sale of the Series A Bonds, together with \$280,000 in available funds will be used to redeem the Town’s privately placed Bond Anticipation Notes – 2020 at maturity on September 24, 2021, as described in the table below. A \$6,825,000 portion of the proceeds from the sale of the Series A Bonds will be used to provide original and additional original financing as described in the table below.

<u>Purpose</u>	<u>Authorization</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount To Bonds</u>
Replacement of 4 th Street Bridge Deck	7/26/2019	\$1,200,000	\$280,000	\$ 0	\$ 920,000
Sewer District No. 5- Increase and Improvements	3/22/2021	<u>0</u>	<u>0</u>	<u>6,825,000</u>	<u>6,825,000</u>
	Totals:	<u>\$1,200,000</u>	<u>\$280,000</u>	<u>\$6,825,000</u>	<u>\$7,745,000</u>

Authorization and the Refunding Plan for the Series B Bonds

The Series B Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including the Local Finance Law and the refunding bond resolution adopted by the Town Board of the Town on December 23, 2020 (the “Refunding Bond Resolution”). The Series B Bonds are being issued to refund up to \$6,775,000 of the outstanding principal of the Town’s Public Improvement (Serial) Bonds – 2006 Series B which mature in the years 2022 to 2036, inclusive (the “2006 Refunded Bonds”) and the up to \$1,985,000 of the outstanding principal of the Town’s Public Improvement (Serial) Bonds - 2008A-1 which mature in the years 2022 to 2024, inclusive and up to \$8,600,000 of the outstanding principal of the Town’s Public Improvement (Serial) Bonds - 2008A-2 which mature in the years 2022 to 2030, inclusive (the “2008 Refunded Bonds” and together with the 2006 Refunded Bonds, the “Refunded Bonds”). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as detailed in the table below.

The net proceeds from the sale of the Series B Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds), will be used to purchase non-callable, direct obligations of or obligations guaranteed

by the United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers Traders Trust Company Corporate Trust Services (the “Escrow Holder”), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Town and the Escrow Holder, dated as of the delivery date of the Series B Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Town and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

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

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

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

The following is a summary of the Refunded Bonds:

2006 Series B Refunded Bonds*:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
May 1, 2022	\$ 320,000	4.375%	751396 E40	November 1, 2021 @ 100%
May 1, 2023	335,000	4.375	751396 E57	November 1, 2021 @ 100%
May 1, 2024	350,000	4.375	751396 E65	November 1, 2021 @ 100%
May 1, 2025	370,000	4.375	751396 E73	November 1, 2021 @ 100%
May 1, 2026	385,000	4.375	751396 E81	November 1, 2021 @ 100%
May 1, 2027	405,000	4.375	751396 E99	November 1, 2021 @ 100%
May 1, 2028	425,000	4.375	751396 F23	November 1, 2021 @ 100%
May 1, 2029	445,000	4.375	751396 F31	November 1, 2021 @ 100%
May 1, 2030	465,000	4.375	751396 F49	November 1, 2021 @ 100%
May 1, 2031	485,000	4.375	751396 F56	November 1, 2021 @ 100%
May 1, 2032	510,000	4.375	751396 F64	November 1, 2021 @ 100%
May 1, 2033	535,000	4.500	751396 F72	November 1, 2021 @ 100%
May 1, 2034	555,000	4.500	751396 F80	November 1, 2021 @ 100%
May 1, 2035	580,000	4.500	751396 F98	November 1, 2021 @ 100%
May 1, 2036	<u>610,000</u>	4.500	751396 G22	November 1, 2021 @ 100%
Total:	<u>\$6,775,000</u>			

2008 A-1 Refunded Bonds*:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
September 1, 2022	\$ 630,000	4.250%	751396 L67	November 1, 2021 @ 100%
September 1, 2023	665,000	4.250	751396 L75	November 1, 2021 @ 100%
September 1, 2024	<u>690,000</u>	4.250	751396 L83	November 1, 2021 @ 100%
Total:	<u>\$1,985,000</u>			

* Preliminary, subject to change.

2008 A-2 Refunded Bonds*:

<u>Maturity Date:</u>	<u>Principal*</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date/Price*</u>
September 1, 2022	\$ 345,000	4.250%	751396 H88	November 1, 2021 @ 100%
September 1, 2023	360,000	4.250	751396 H96	November 1, 2021 @ 100%
September 1, 2024	380,000	4.250	751396 J29	November 1, 2021 @ 100%
September 1, 2025	1,125,000	4.250	751396 J37	November 1, 2021 @ 100%
September 1, 2026	1,170,000	4.250	751396 J45	November 1, 2021 @ 100%
September 1, 2027	1,225,000	4.250	751396 J52	November 1, 2021 @ 100%
September 1, 2028	1,275,000	4.375	751396 J60	November 1, 2021 @ 100%
September 1, 2029	1,330,000	4.500	751396 J78	November 1, 2021 @ 100%
September 1, 2030	<u>1,390,000</u>	4.500	751396 J86	November 1, 2021 @ 100%
Total:	<u>\$8,600,000</u>			

* Preliminary, subject to change.

Sources and Uses of Proceeds of the Series B Bonds

Sources:

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

Uses:

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

Verification of Mathematical Computations

Causey Demgen & Moore Inc. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Series B Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Series B Bonds contained in the provided schedules to be used by Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Town for the Series B Bonds, in its determination that the interest on the Series B Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Series B Bonds.

Optional Redemption

The Series A Bonds maturing on or before September 15, 2029 are not subject to redemption prior to maturity. The Series A Bonds maturing on or after September 15, 2030 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after September 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 Series B Bonds maturing on or before May 1, 2029 are not subject to redemption prior to maturity. The Series B Bonds maturing on or after May 1, 2030 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after May 1, 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

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

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, *subject to applicable statutory limits.* (See “*Tax Levy Limitation Law*” herein).

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

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

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

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

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

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

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

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

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

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

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds if issued as book-entry Bonds. Such Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of each series of Bonds and 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 the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in

accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which, upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

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

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

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

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

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

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

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

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

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

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

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

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

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

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 prior 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 again 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 “*Tax Levy Limitation 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.

Effects of COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town’s financial condition and operating results. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the

initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact 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 spread of the outbreak or resurface later in the year could have a material adverse effect on the State and municipalities, including the Town.

The Town's population and economy have continued to grow during these challenging times. The Town's tax base is primarily residential with minimal exposure to commercial, retail or industrial real estate. The Town has collected 100% of the 2021 Town tax levy. The Town expects sales tax revenues to perform in line with 2021 budget estimates. Mortgage tax revenues remain strong, and the Town expects this to continue as a result of strong home sales and refinance activity. 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 also "State Aid" and "Sales Tax" herein).

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 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 "Moderate Fiscal Stress" with a 2019 fiscal score of "55" and an environmental designation of "No Designation" with a score of "26.7".

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. OSC has not released a formal report on the Town in the past five years nor is one presently in progress. Additional information regarding State audits can be obtained by visiting the New York State website for Local Governments and School Accountability.

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference. References to websites and/or website addresses presented herein are for information purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

CYBERSECURITY

The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the Town operations and/or damage from cyber incidents or cyber-attacks, the Town has invested in cybersecurity and other operational controls. While the Town continues to review its policies and practices in this regard, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks.

LITIGATION

Throughout the course of any given year, notices of claim will be served upon the Town Clerk pursuant to N.Y. General Municipal Law § 50-e. These notices typically involve claims against the Town, its officials or employees for alleged personal injuries or property damage. Many such notices do not necessarily lead to litigation.

No Litigation Relating to the Bonds. There is no litigation pending or, to the knowledge of the Town, threatened, which restrains or enjoins the issuance or delivery of the Bonds or questions or affects the validity of the Bonds or the proceedings and authority under which they are to be issued, or the pledge of the ad valorem revenues of the Town. Neither the creation, organization, nor existence of the Town, nor the title of the present members of the Town Board or Town Supervisor or other officers of the Town in their respective offices is being contested.

General. The Town experiences routine litigation and claims incidental to the conduct of its affairs. For a certain time and for certain cases, liability insurance maintained by the Town included primary insurance with a \$1 million limit and a \$50,000 per occurrence deductible, and multiple excess liability policies with a combined \$20 million limit. More recently, the Town has undertaken a self-insured approach with umbrella coverage while employing a Third Party Administrator for all claims. There are several pending litigations that have a potential outcome with a likely combined impact on the Town of up to \$4,500,000. The extent to which all or part of that amount will be reimbursed by insurance coverage cannot be presently determined. Other than those cases, there are no other actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the financial condition of the Town.

Settlement Agreements. In January 2019, the Town entered into a Settlement Agreement with the County and the Board of Commissioners of the Rockland County Sewer District No. 1 (the "RCS D") to resolve a financial dispute that arose over the advancement of funds to the Town for future services to be provided. Under the Settlement Agreement with the County, the Town is required to pay the first \$400,000 of all monies borrowed, used, or otherwise expensed by RCS D or the County, for the Hillburn Advanced Waste Water Treatment Plan Project (the "Project"). The Town has no obligation for services or to provide funds in an amount over \$400,000. During the year ended December 31, 2020 the Town paid \$40,000 toward the Project.

In March 2020, the Town entered into a Settlement Agreement with a former employee to resolve all disputes between the former employee and the Town. Under the Settlement Agreement with the former employee, the Town paid two payments of \$298,000 and \$452,000, respectively, to the former employee during March 2020 and paid the former employee \$450,469 in January 2021. The Town is scheduled to make the following additional settlement payments: \$436,906 subsequent to January 1, 2022, but prior to January 15, 2022; \$423,344 subsequent to January 1, 2023, but prior to January 15, 2023; and \$409,781 subsequent to January 1, 2024, but prior to January 15, 2024. In addition, during March 2020, the Town paid two payments of \$120,000 and \$150,000, respectively, to two separate legal firms that represented the former employee.

Lake Suzanne Dam Rehabilitation Project. The Town and the County have entered into an Administrative Order on Consent (the "Order") with the New York State Department of Environmental Conservation (the "DEC"), whereby the Town and the County agreed to equally fund the Lake Suzanne Dam Rehabilitation Project, including upgrades to the Dam. Under the Order, the Town has already paid its share of civil penalties (\$20,000), and it is

responsible for one-half of the total engineering design, construction, and engineering inspection costs for the project. The Town's presently known share of these services is approximately \$727,000.

The Town also anticipates the need for additional funding, in amounts yet to be determined, for the acquisition of easements, other contingencies, and post-construction operation and maintenance of the Dam. The construction portion of the project is presently scheduled to be completed in December 2021.

SEC Matters. On April 14, 2016 the Securities and Exchange Commission (the "SEC") filed a complaint against the Town, the LDC, the Supervisor, the President of the LDC (who was the same person as the Supervisor), the Town Attorney, the Deputy Director of Finance, and the Executive Director of the LDC. The SEC alleged material misrepresentations and omissions in disclosure documents used in connection with the public offering of securities used by the Town and the LDC from September 2010 through September 2015. The allegation indicated, among other things, that the Town's General Fund was inflated and that this was done to mask a deterioration of such fund.

Criminal actions were also commenced at the same time by the U.S. Attorney's office for the Southern District of New York against the Town Supervisor in such role and in his role as the President of the LDC as well as the former Executive Director of the LDC for conspiracy, securities fraud and wire fraud which indictment recites that they lied about the financial condition of the Town. In 2017 the former Executive Director of the LDC pled guilty and was sentenced to probation and a fine of \$20,000. The Town Supervisor later in 2017 was found guilty at a jury trial on multiple counts, received a prison sentence and was removed from office.

On November 29, 2017 the Town and the LDC entered into a final judgment with the SEC and agreed to (i) hiring an Independent Consultant appointed by the SEC to review and recommend improvements to the Town's and LDC's financial reporting procedures and controls, as well as the LDC's municipal securities offerings disclosure policies and procedures, to require the Town and LDC to adopt such recommendations, and for the Independent Consultant to review and assess the sufficiency of the Town's and LDC's implementation of the Independent Consultant's recommendations for two full fiscal years thereafter;(ii) retain an independent auditing firm acceptable to the SEC for auditing fiscal years 2017, 2018 and 2019; and (iii) for three years after the date of the judgment, retain an Independent Disclosure Counsel for any securities offerings.

On June 6, 2018 the SEC also entered into a final judgment with the former Executive Director of the LDC, the Town Attorney and former Deputy Finance Director. Civil penalties were imposed on the former Deputy Finance Director and Town Attorney, required each to resign employment with the Town and prohibits for 5 and 7 years, respectively, from being employed by the Town. The former Deputy Finance Director and Town Attorney consented to the judgment without admitting or denying the allegations set forth in the complaint.

All litigation in connection with this matter is considered closed.

TAX MATTERS

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Town has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly, from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person)

whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

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

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

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

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

LEGAL MATTERS

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

DISCLOSURE UNDERTAKING

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

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement dated September 14, 2021 of the Town relating to the Bonds under the headings "LITIGATION" and all Appendices (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2021, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2021; such audit, if any, will be so

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

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

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

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

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

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

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

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

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

The Town reserves the right to terminate its obligation to provide the aforescribed notices, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interest in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town obligations under its event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town provided that, the Town agrees that any such modification will be done in a manner consistent with the Rule.

An undertaking to provide continuing disclosure as described above shall be provided to the Underwriter at the closing.

Continuing Disclosure History

On April 9, 2021, the Town issued its \$1,755,000 Bond Anticipation Note, 2021 to pay costs in connection with various Town purposes. Said note matures on April 8, 2022 and bears an interest rate of 0.98%. Said note was purchased by M&T Bank. The Town has pledged its faith and credit for the payment of the principal of and interest on said note. An event notice for this obligation was filed late, on June 11, 2021.

On June 4, 2021, the Town issued its \$1,350,000 Bond Anticipation Note, 2021 to pay the cost of the purchase and installation of license plate readers. Said note matures on June 3, 2022 and bears an interest rate of 0.98%. Said note was purchased by M&T Bank. The Town has pledged its faith and credit for the payment of the principal of and interest on said note. An event notice for this obligation was timely filed, on June 11, 2021.

RATING

On September 2, 2021, S&P Global Ratings (“S&P”) assigned a rating of “A+” with a stable outlook to the Town’s outstanding indebtedness and applied such rating to the Bonds. Such rating is pending at this time.

Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has served as the independent Municipal 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, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to

compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds. Orrick, Herrington & Sutcliffe LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including this Official Statement.

ADDITIONAL INFORMATION

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the calculation of estimated "*Overlapping and Underlying Debt*", herein.

Additional information may be obtained from John Lynch, Comptroller, 237 NY-59, Suffern, New York 10901, (845) 521-9277, e-mail: lynchj@ramapo-ny.gov or from the Town's Municipal Advisor, Capital Markets Advisors, LLC at (516) 274-4504.

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.

This Official Statement has been prepared 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.

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

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

Concurrently with the delivery of the Bonds, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

The 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.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or

other errors may have occurred in converting original source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement has been duly executed and delivered by the Town Supervisor.

TOWN OF RAMAPO
ROCKLAND COUNTY, NEW YORK

By: _____
Michael B. Specht
Town Supervisor

DATED: September __, 2021

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town is a suburban community located in southeastern New York State (the “State”) about 25 miles northwest of New York City. It is the eighth largest town in the State with a land area of approximately 61 square miles and a current population of 148,919 as of the U.S. Census Bureau’s 2020 Census.

The Town includes twelve incorporated villages, ten of which are fully within the borders of the Town (Airmont, Chestnut Ridge, Hillburn, Kaser, Montebello, New Hempstead, New Square, Sloatsburg, Suffern, and Wesley Hills) and major portions of the Villages of Pomona and Spring Valley.

The major commercial activities in the Town include:

- Avon Products, Inc., a manufacturer of cosmetics, located in a 225,000 square-foot research and development headquarters, employs approximately 150 people
- Good Samaritan Regional Health Center employs approximately 1,700 people
- Par Pharmaceutical, Inc., has maintained facilities in the Town for many years, employs more than 400 people

The Fire Training and Social Services Centers, and various other County buildings and operations are also located within the Town.

The Town provides its residents with a 2,500 acre park system with recreational facilities including a golf course, an equestrian center, two swimming pools, pedestrian and greenway trails, summer camp facilities, numerous tennis court facilities, a minor league baseball stadium, a sports complex and a 200,000 square-foot sports and wellness center with recreational personnel providing year-round activities for all age groups.

The Town has hundreds of acres included in Empire Zones, which are intended to attract new businesses to the Town.

Form of Government

The Chief Executive Officer (“CEO”) of the Town is the Supervisor who is elected at large for a two-year term and is eligible for re-election. The CEO is a member of the Town Board.

The Town Board is the governing and legislative body of the Town. It determines policy and appropriates funds for various governmental functions and services. In addition to the Supervisor, the Board includes four Councilpersons, who are elected at large in odd-numbered years for four-year terms. The councilpersons’ terms are staggered so that two are elected each biennial session. There is no limitation as to the number of terms which may be served by members of the Town Board.

The powers of the Town Board include the right to adopt a budget, levy taxes, authorize bond issues, fill appointive positions, determine salaries and hours of Town employees, establish departments of government, manage, control, and have custody of Town property, establish non-salaried advisory boards, acquire land for public purposes, establish special improvement districts, authorize studies and investigations in the Town’s interest, and enact ordinances to protect the health of persons and property in the Town.

In November 2017, Michael B. Specht was elected Supervisor for a two-year term commencing on January 1, 2018. In November 2019, Supervisor Specht was reelected for a second two-year term commencing on January 1, 2020. He is currently running without opposition for the Town’s November 2021 election.

The current Town Board members are Councilman Michael Rossman (term expires on December 31, 2023), Councilwoman Brendel Logan (term expires on December 31, 2023), Councilman David Wanounou (term expires on December 31, 2021) and Councilman Yehuda Weissmandl (term expires on December 31, 2021). Currently Councilwoman Logan also serves as Deputy Supervisor of the Town.

Other elected officials of the Town are the Superintendent of Highways, elected to two-year terms, and three Town Justices who are elected to four-year terms.

Employees

The Town provides services through approximately 293 full-time, 32 part-time and due to COVID, seasonal employees decreased to approximately 175, of which approximately 162 employees are represented by a chapter of the Civil Service Employees Association (“CSEA”) and 94 are represented by the Policemen’s Benevolent Association (“PBA”), and 10 are represented by Ramapo Police Superior Officer’s Association (“RPSOA”). The Chief of Police and the Police Captain have individual contracts that expired on December 31, 2020 and are currently being negotiated.

<u>Number of Employees</u>	<u>Contract Organization</u>	<u>Contract Expiration Date</u>
162	Civil Service Employees Association	12/31/23
10	Ramapo Police Superior Officer’s Association	12/31/19 ⁽¹⁾
94	Policemen’s Benevolent Association	12/31/19 ⁽¹⁾

(1) Currently in negotiations.

Source: Town Officials.

Employee Pension Plans

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

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 (“Chapter 49”). Chapter 49 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 by Chapter 49, the employer contribution for a given fiscal year will be 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. Chapter 49 also required 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.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1.

On December 10, 2009, the then Governor signed in to law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service.

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, New York State Comptroller Thomas DiNapoli announced that the employer contribution rate for the State’s Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation was enacted that would permit local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5% percent. The Town has paid all of its required payments in full and has not needed to borrow for a portion of those payments through the State. The legislation authorized local governments and school districts to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

In Spring 2013, the State modified the ERS Stable Contribution Option (“SCO”) adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates (“ARCs”). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. For ERS, the 2013-14 SCO rate is 12%. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the municipalities can choose not to defer payment in any given year. Under the SCO, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%. See “Stable Rate Pension Contribution Option” below.

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’s contributions to the ERS and PFRS since 2016 are as follows:

<u>Year</u>	<u>Contribution Amount</u>	<u>Amount Amortized</u> ⁽¹⁾
2016	\$ 9,339,011	\$2,093,704
2017	9,817,101	1,169,310
2018	10,445,368	1,067,986
2019	10,184,052	553,740
2020	10,177,280	386,588

(1) Pursuant to the Employer Contribution Stabilization Program established pursuant to Chapter 57 of the Laws of 2010, the Town elected to amortize a portion of its annual pension contribution.

Stable Rate Pension Contribution Option

The State Budget includes a provision that provides local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The rates are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The Town has opted into this smoothing of pension payments option.

A chart of average ERS and PFRS rates (2016 to 2020) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2016	15.3%	24.4%
2017	14.9	23.5
2018	14.6	23.5
2019	14.6	24.4
2020	16.2	28.3

The investment of monies and assumptions underlying the System covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future Unfunded Accrued Actuarial Liabilities of the System (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the System administrative staff for further information on the latest actuarial valuations of the System.

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, 2020 was \$251,377,773 using a discount rate of 2.12% and actuarial assumptions and other inputs as described in the Town’s December 31, 2020 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.

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

Town contributions made for OPEB costs for the last five years:

<u>Year</u>	<u>Amount</u>
2016	\$4,041,514
2017	4,522,432
2018	4,870,359
2019	5,482,832
2020	5,941,166

FINANCIAL FACTORS

Budgetary Procedure

The Supervisor prepares a tentative and preliminary budget each year and the Town Board 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 adopted budget for the coming fiscal year. The budget is not subject to referendum. The Town has begun implementing a multi-year budgeting plan to supplement the normal annual budget cycle. The Town believes that this will give it additional control over its expenses. In addition, the Town is reviewing existing policies to reach a goal of increasing and maintaining a General Fund balance at an amount of at least ten percent of the General Fund annual expenditures.

A summary of the 2020 and 2021 budgets are presented in Appendix B.

Independent Audits

The financial statements of the Town are audited by BST & Co. CPAs, LLP (“BST”), independent certified public accountants. Appendix B to this Official Statement presents a summary for the audited financial statements for the fiscal years ending December 31, 2016 through December 31, 2020, inclusive. The Town is currently in the process of selecting an accounting firm to conduct its audits for the fiscal years ending December 31, 2021 through December 31, 2025, inclusive. In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. (See “THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS” herein.) BST is not associated with the preparation of this document.

Financial Operations

Pursuant to Local Law No. 1, 1968, certain financial functions of the Town are the responsibility of the Director of Finance, who is appointed by the Supervisor.

The Director of Finance is also designated as the Town Comptroller. John Lynch, MBA, CPA, was appointed in July 2016 and is the current Director of Finance for the Town.

The duties of the Director of Finance include, but are not limited to, general supervision of the Department of Finance, including accounting and bookkeeping functions; review and analysis of the operations; financial condition and future

financial needs of the Town; and assistance in the preparation of Town budgets.

Fund Structures and Accounts

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

There are two basic fund types: (1) governmental funds that are used to account for basic services, debt service and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town maintains the following governmental funds: General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds consisting of Town Outside Village Fund, Highway Fund, Police Fund, Special Districts Fund (water, ambulance, sewer, street lighting, refuse and garbage and fire protection districts), Proprietary Funds and Custodial Fund.

Investment Policy

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, certificates of deposit and repurchase agreements that are fully collateralized and retained in segregated accounts.

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 school districts.

The Town's investment policy further provides that all investment obligations must be payable or redeemable at the option of the Town within such time or times as the proceeds will be needed to meet expenditures for the purposes for which monies were provided.

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

Revenues

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.) Property taxes accounted for 53.58% of total general fund and special fund revenues for the fiscal year ended, December 31, 2020, while State aid accounted for 8.55% and sales tax accounted for 1.42%.(See "RISK FACTORS" and "*Effect of COVID-19*" herein.)

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The following table sets forth total fund revenues and real property taxes received for each of the past five audited fiscal years and the budgeted amount for the current fiscal year.

Fund Revenues & Real Property Taxes⁽¹⁾

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Total</u> <u>Revenues</u>	<u>Real</u> <u>Property Taxes</u>	<u>Taxes to</u> <u>Revenues</u>
2016	\$35,411,872	\$14,942,003	42.19%
2017	36,508,360	16,593,775	45.45
2018	43,621,687	23,457,904	53.78
2019	47,601,572	27,310,140	57.37
2020	46,742,304	25,042,203	53.58
2021 (Adopted Budget)	40,150,280	21,121,780	52.61

(1) General Fund

Source: Audited Financial Statements and Adopted Budget of the Town. Summary itself not audited.

State Aid. The Town receives financial assistance from the State. State Aid accounted for approximately 8.55% of the total fund revenues of the Town in the 2020 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year 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. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. In view of the State's continuing budget problems, future State aid reductions are likely. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town during its current fiscal year as well as in the future, 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 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 State's 2020-2021 Adopted Budget authorizes 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 provides 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 provides 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.

On October 30, 2020, the New York State Division of the Budget released the fiscal year ending 2021 Mid-Year State Budget Financial Plan Update, which projected a \$14.9 billion General Fund revenue decline and a 15.3% decline in

tax receipts from prior budget forecasts. The State further projected a total revenue loss of \$63 billion through the State’s fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic.

Enactment of the Federal American Rescue Plan (ARP) Act, stronger than expected tax collections, and favorable FY 2021 year-end results have improved the State’s fiscal outlook since the Executive Budget proposal was submitted in February 2021. The ARP is a \$1.9 trillion economic stimulus bill intended to contain the COVID-19 pandemic and accelerate the nation’s economic recovery. The ARP provides the State with \$12.75 billion in general aid (“recovery aid”), as well as \$17.2 billion in categorical aid for schools, universities, childcare, housing, and other purposes. The Town was allocated \$4.6 million of ARP funding and received \$2.3 million in July 2021. The Town is currently in the process of determining how to allocate the funding.

The State’s revenue picture also improved in the final quarter of FY 2021, with tax collections exceeding expectations. On March 1, 2021 the Executive and Legislature reached consensus that cumulative tax receipts over FY 2021 and FY 2022 would be at least \$2.5 billion higher than estimated in the Executive Budget Financial Plan. Collections through the end of FY 2021 were even more favorable, providing the basis for the substantial upward revisions to tax receipts. The State finished FY 2021 in a stronger overall position in comparison to the Executive Budget Financial Plan. Results reflected both strong tax receipts and disbursements that fell substantially below budgeted levels.

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 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 following table sets forth total fund revenues and state aid received for each of the past five audited fiscal years and the budgeted amount for the current fiscal year.

Fund Revenues & State Aid Revenues⁽¹⁾

<u>Fiscal Year</u> <u>Ended December 31</u>	<u>Total</u> <u>Revenues</u> ⁽¹⁾	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2016	\$35,411,872	\$478,205	1.35%
2017	36,508,360	427,314	1.17
2018	43,621,687	446,946	1.02
2019	47,601,572	427,314	0.90
2020	46,742,304	453,770	0.97
2021 (Adopted Budget)	40,150,280	400,000	1.00

(1) General Fund

Source: Audited Financial Statements and Adopted Budget of the Town. Summary itself not audited.

Sales Tax. The Town receives a share of the County sales tax. As authorized pursuant to Section 1210 of the New York Tax Law, the County currently imposes a sales and use tax of 4.00%. This is in addition to the 4.00% sales and use tax imposed by the State and 0.375% Metropolitan Commuter Tax. The sales and use tax collections are administered by the State Tax Commission and the proceeds are paid monthly to the County. In March 2002, the County increased its sales tax from 3.000% to 3.625%, of which 0.125% is distributed to towns and villages in the County based on population. In January 2008, the County agreed to share an additional 0.125% with towns and villages with police departments and in March 2009 increased its sales tax from 3.625% to 4.00%. For the quarter ending June 30, 2021, the Town reports that sales tax revenues have increased to pre-pandemic levels and expects continued growth in line with increases in consumer spending.

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The following table sets forth total fund revenues and sales tax received for each of the past five audited fiscal years and the budgeted amount for the current fiscal year.

General Fund Revenues & Sales Tax⁽¹⁾

Fiscal Year <u>Ended December 31</u>	Total <u>Revenues</u>	<u>Sales Tax</u>	Sales Tax <u>to Revenues</u>
2016	\$35,411,872	\$1,973,565	5.57%
2017	36,508,360	2,002,074	5.48
2018	43,621,687	2,309,471	5.29
2019	47,601,572	2,250,476	4.73
2020	46,742,304	2,174,782	4.65
2021 (Adopted Budget)	40,150,280	2,300,000	5.73

(1) General Fund.

Source: Audited Financial Statements and 2021 Adopted Budget of the Town. Summary itself not audited.

Despite the overall economic impacts caused by the COVID-19 pandemic, the Town expects sales tax revenues to meet or exceed the 2021 Adopted Budget. The Town expects increased revenues from building permit fees and mortgage tax revenues as new mortgage and mortgage refinance activities continue to at increased levels due to construction activities, home sales and the low interest rate environment. (See “RISK FACTORS” and “Effects of COVID-19” herein.)

Mortgage and Sales Tax – Actual Versus Budgeted

<u>Mortgage Tax</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Budgeted Amount	\$2,900,000	\$2,900,000	\$2,900,000	\$1,950,000	\$1,800,000
Mortgage Revenue Received	<u>3,541,207</u>	<u>3,371,501</u>	<u>2,736,374</u>	<u>2,663,704</u>	<u>2,792,470</u>
Amount over/(under)	\$641,207	\$471,501	\$(163,626)	\$713,704	\$992,470
 <u>Sales Tax</u>					
Budgeted Amount	\$2,300,000	\$2,000,000	\$2,000,000	\$2,000,000	\$1,800,000
Sales Tax Revenue Received	<u>2,174,782</u>	<u>2,250,476</u>	<u>2,309,471</u>	<u>2,002,074</u>	<u>1,973,565</u>
Amount over/(under)	\$(125,218)	\$250,476	\$309,471	\$2,074	\$173,565

TAX INFORMATION

Valuations and Tax Data

The Town derives its general power to levy an ad valorem real property tax from Article 8, Section 10 of the Constitution of the State of New York; however, towns in the State do not have a Constitutional tax limit. Town Law Section 115 provides the statutory authority of a town to levy ad valorem real property taxes, and does not provide for a limit similar to that found in Article 8 section of the Constitution. The Town is responsible for levying taxes for operating purposes and debt service. (See also “TAX LEVY LIMITATION LAW” herein.)

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

Valuations and Tax Data

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Value	\$1,629,495,625	\$1,628,185,912	\$1,624,655,212	\$1,641,621,520	\$1,658,613,131
Equalization Rate	13.57%	12.60%	11.90%	11.60%	11.44%
Full Value	12,008,073,876	12,922,110,413	13,652,564,807	14,151,909,655	14,498,366,530

Source: Town officials and the New York State Board of Equalization and Assessment.

Tax Rates Per \$1,000 Taxable Assessed Value

<u>Fiscal Year Ending December 31</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Town	\$11.289	\$12.531	\$15.660	\$18.147	\$16.612
Town Outside Villages	7.683	8.550	2.438	4.124	0.592
Police	30.155	33.598	30.962	27.486	26.617

Tax Collection Procedures

The Town collects County, certain County Authority, Town, Highway, Special District and certain School and Fire District taxes. The Town offers its residents two methods for payment of taxes. Under one method, taxes are due January 1 and are payable without penalty until January 31. The penalty for payment during February is 1% and during March is 2%. After March 31, the tax roll is returned to the County and taxes plus penalties are payable to the County Treasurer. Under the second method, since January 1, 1998, the County has offered a quarterly installment payment option. The payments are due on January 31, April 15, July 15, and October 15 of each year. The first payment is payable to the Town Receiver and the subsequent payments are payable to the Commissioner of Finance of the County. A service charge of 5% on each installment payment is added to the amount of taxes.

Regardless of the method of payment, the Town retains the total amount of Town, Highway and Special District levies from total collections it receives and returns the balance plus uncollected items to the County, which assumes collection responsibility and enforcement, and holds annual tax lien foreclosure sales. Thus, the Town is assured of receiving the total amount levied.

The Town provides school tax collection services for the Ramapo Central School District and the East Ramapo Central School District. For this service, the Town receives a fee of 1% of the respective tax collections.

Tax Collection Rates

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Town and Highway	\$ 64,328,960	\$ 72,155,126	\$ 75,534,105	\$ 76,777,438	\$ 72,103,909
Special District Taxes and Assessments	52,780,554	50,981,296	43,531,889	45,342,397	49,537,318
Re-levied Items	2,250,258	2,154,862	1,941,802	2,356,513	2,475,218
State and County Charges	38,637,642	40,579,336	42,509,003	43,976,803	45,328,487
Reassessed School Taxes	11,027,817	11,415,209	15,227,557	12,260,171	11,802,710
Miscellaneous Items	<u>184,430</u>	<u>337,362</u>	<u>476,427</u>	<u>374,749</u>	<u>324,025</u>
Total Tax Levy	\$169,209,661	\$177,623,191	\$179,220,783	\$181,088,071	\$181,571,667
Returned to County as Uncollected Amount	\$23,222,702	\$23,497,713	\$22,808,691	\$25,882,248	\$26,900,289
Percentage	13.72%	13.23%	12.73%	14.29%	14.82%
Uncollected Taxes Due to Town	None	None	None	None	None

Source: Town Officials.

Ten of the Largest Taxpayers

The following table presents the tentative taxable assessments of ten of the Town’s largest taxpayers for the 2020 fiscal year.

2020 Taxable Assessments

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u> ⁽¹⁾
Orange & Rockland Utility	Public Utility	\$ 38,788,990	2.34%
Suez North America	Public Utility	23,716,339	1.43
State of New York	Government	19,411,213	1.17
Good Samaritan Hospital	Hospital	18,159,300	1.09
Consolidated Edison	Public Utility	13,153,516	0.79
Algonquin Trans Company	Public Utility	5,753,801	0.35
JHW Construction Corp ⁽²⁾	Real Estate	5,109,100	0.31
Suffern Partners ⁽²⁾	Commercial	4,789,800	0.29
Verizon New York, Inc.	Commercial	4,511,009	0.27
Woodmont Ramapo LLC	Real Estate	<u>3,872,050</u>	<u>0.23</u>
Total:		<u>\$137,265,118</u>	<u>8.27%</u>

(1) The total 2020 taxable assessed value of the Town is \$1,658,613,131.

(2) Tax Certiorari outstanding.

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum (7%) of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water, electric and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is by taking the assessed valuations of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature

is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the Constitution and Title 8 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking seven per centum (7%) of the latest five-year average of the full valuation of all taxable real property.

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 of course, 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. Except on rare occasions, the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. The Town has complied with such procedure with regards to the Series A Bonds and expects to comply with regards to the Series B Bonds.

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 "*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, deficiency notes, and budget and capital notes.

Town Guaranteed Indebtedness

Pursuant to the State Constitution and other applicable State laws, the Town has provided the guarantee of bond obligations of the Ramapo Local Development Corporation (the "RLDC") in furtherance of the RLDC's mission and objective. For the RLDC, the Supervisor currently serves as the President, the members of the Town Board serve as the Board members, the Town Clerk serves as the Secretary and the Director of Finance serves as the Treasurer. Other than as set forth below there are no other outstanding Town guarantees and none expected in the near future.

Baseball Stadium Project Bonds

The Town previously guaranteed \$25,000,000 of bonds maturing March 15, 2016, issued by the RLDC in 2011 (the “RLDC Bonds”). The proceeds of such RLDC Bonds were ultimately utilized for the development and construction of a Baseball Stadium Project in the Town. Pursuant to this guaranty, the faith and credit of the Town was irrevocably pledged to the payment of principal and interest on the RLDC Bonds and the Town covenanted that it shall annually include in its budget for each fiscal year all payments required to be made on the RLDC Bonds in such fiscal year. The Town was required pursuant to the guaranty to pay debt service on the RLDC Bonds and the RLDC was then required to reimburse the Town for such payments. The Town made all required interest payments and an optional principal payment and was reimbursed by the RLDC in a timely manner.

On December 3, 2012, the Town Board unanimously voted to authorize a Town guaranty for bond financing obtained by the RLDC for a period beyond five years. On February 15, 2013, \$25,000,000 of bonds were issued by the RLDC (the “RLDC 2013 Bonds”) to currently refund the outstanding RLDC Bonds, capitalize certain interest on the RLDC 2013 Bonds through September 15, 2013, pay for certain costs associated with the Baseball Stadium Project and pay certain costs of issuance associated with the RLDC 2013 Bonds. Pursuant to a guaranty provided by the Town, the faith and credit of the Town was irrevocably pledged to the payment of principal and interest on the RLDC 2013 Bonds and the Town covenanted that it shall annually include in its budget for each fiscal year all payments required to be made on the RLDC 2013 Bonds in such fiscal year. The Town is required pursuant to the guaranty to pay debt service on the RLDC 2013 Bonds and the RLDC is then required to reimburse the Town for such payments. The RLDC 2013 Bonds have a final maturity of March 15, 2041 with annual debt service payments of approximately \$1,650,000 through 2041. Under the Town guaranty, the RLDC has agreed to reimburse the Town for all payments of principal and interest on the RLDC’s 2013 Bonds.

In September 2017, the Town began making the majority of debt service payments on the RLDC’s outstanding bonds, which the Town has guaranteed, without being reimbursed. Debt service payments by the Town that the RLDC has the ability to repay are recorded as due to the Town. Debt service payments by the Town that the RLDC does not have the ability to repay are recorded as contributions from the Town. The Corporation remains contingently liable to reimburse debt service costs incurred on behalf of the Town to the Town if it is ever able to do so. The RLDC is contingently liable to the Town for the repayment of contributions for debt service costs of \$5,187,298 as of December 31, 2020. The Town has not recorded this contingent receivable in its financial statements due to the financial uncertainty of the RLDC.

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Constitutional Debt Contracting Limitation

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted. However, there are statutory limitations on the tax levy. (See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.) The following table sets forth the current debt-contracting limitation of the Town.

<u>Debt Contracting Limitation</u>			
<u>Fiscal Year Ended</u> <u>December 31</u>	<u>Assessed</u> <u>Valuation</u>	<u>Equalization</u> <u>Ratio</u> ⁽¹⁾	<u>Full</u> <u>Valuation</u>
2017	\$1,629,495,625	13.57	\$12,008,073,876
2018	1,628,185,912	12.60	12,922,110,413
2019	1,624,655,212	11.90	13,652,564,807
2020	1,641,621,520	11.60	14,151,909,655
2021	1,658,613,131	11.44	<u>14,498,366,530</u>
Total Five-Year Full Valuation			<u>\$ 67,233,025,281</u>
Average Five-Year Full Valuation			13,446,605,056
Debt Contracting Limitation – 7% of Average Full Valuation			<u>\$ 941,262,354</u>

(1) Equalization rates are established by the New York State Board of Equalization and Assessment.

Source: New York State Board of Equalization and Assessment.

The following table, based on information furnished by the Town, presents the debt-incurring power of the Town and shows that the Town is within its constitutional debt limit.

Statement of Debt-Contracting Power
(As of September 2, 2021)

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin calculated as of August 26, 2021:

Five-Year Average Full Valuation of Taxable Real Property	\$13,446,605,056
Debt Limit 7% Thereof	941,262,354
Inclusions:	
Outstanding Bonds	\$76,865,000
Bond Anticipation Notes	1,200,000
Ramapo Local Development Corporation Bonds Guaranteed by the Town	<u>21,775,000</u>
Total Inclusions	\$99,840,000
Exclusions:	
Appropriations	<u>\$ 0</u>
Total Exclusions	\$ 0
Total Net Indebtedness	\$ 99,840,000
Net Debt Contracting Margin	841,422,354
Percentage of Debt Contracting Power Exhausted	10.61%

Trend of Capital Indebtedness

Fiscal Year End	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town Bonds	\$114,710,000	\$104,950,000	\$ 95,730,000	\$ 86,250,000	\$76,865,000
RLDC Guaranteed Bonds	23,495,000	22,940,000	22,365,000	21,775,000	21,170,000
Bond Anticipation Notes	<u>1,535,000</u>	<u>1,045,000</u>	<u>535,000</u>	<u>1,200,000</u>	<u>1,200,000</u>
Total	<u>\$139,840,000</u>	<u>\$128,935,000</u>	<u>\$118,630,000</u>	<u>\$109,225,000</u>	<u>\$99,235,000</u>

Details of Outstanding Indebtedness

The following table sets forth the principal amount of outstanding indebtedness issued by the Town evidenced by bonds and notes as of December 31, 2020:

	<u>Maturity Date</u>	<u>Amount Outstanding</u>
Town Bonds	2021-2036	\$76,865,000
RLDC Guaranteed Bonds	2021-2041	21,170,000
Bond Anticipation Notes	2021	<u>1,200,000</u>
Total Indebtedness		<u>\$99,235,000</u>

Installment Purchase Agreements

The Town currently does not have any material installment purchase agreements and does not plan to enter into any installment purchase agreements in the near term.

Overlapping and Underlying Debt

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers’ share of this overlapping debt is based upon the amount of the Town’s equalized property values taken as a percentage of each separate unit’s total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units.

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>Town Share</u>	<u>Amount Applicable to Town</u>
Rockland County	\$435,702,812	07/13/2021	12.24%	\$53,330,024
Suffern CSD	10,401,206	06/30/2021	96.26	10,012,201
East Ramapo CSD	56,471,850	04/23/2021	83.31	<u>47,046,698</u>
Total Net Overlapping Debt				<u>\$110,388,923</u>
Total Net Direct Debt				<u>99,840,000</u>
Total Net Direct and Overlapping Debt				<u>\$210,228,923</u>

Source: Official Statements publicly available on the Municipal Securities Rulemaking Board: EMMA website.

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Debt Ratios

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

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 99,840,000	\$ 670	0.69%
Net Direct and Overlapping Debt	210,228,923	1,412	1.45

(1) The population of the Town is 148,919 according to the 2020 Census.

(2) The full valuation of real property located in the Town for the 2021 fiscal year is \$14,498,366,530.

Debt Service Schedule

The following table shows the debt service requirements to maturity on the Town's outstanding bonded general obligation indebtedness for each fiscal year ending December 31, inclusive of Town guaranteed RLDC debt and exclusive of the Bonds.

Bond Principal and Interest Maturity Table⁽¹⁾

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021 ⁽²⁾	\$10,330,000	\$ 3,790,763	\$ 14,120,763
2022	9,615,000	3,419,406	13,034,406
2023	8,815,000	3,070,416	11,885,416
2024	7,670,000	2,734,169	10,404,169
2025	7,660,000	2,452,388	10,112,388
2026	7,975,000	2,145,147	10,120,147
2027	6,810,000	1,845,719	8,655,719
2028	7,075,000	1,565,406	8,640,406
2029	3,950,000	1,340,466	5,290,466
2030	4,085,000	1,174,666	5,259,666
2031	2,795,000	1,002,166	3,797,166
2032	2,910,000	887,500	3,797,500
2033	3,010,000	767,656	3,777,656
2034	3,085,000	643,009	3,728,009
2035	2,870,000	520,850	3,390,850
2036	1,840,000	400,475	2,240,475
2037	1,290,000	323,750	1,613,750
2038	1,355,000	257,625	1,612,625
2039	1,420,000	188,250	1,608,250
2040	1,490,000	115,500	1,605,500
2041	<u>1,565,000</u>	<u>39,125</u>	<u>1,604,125</u>
Totals:	<u>\$97,615,000</u>	<u>\$28,684,452</u>	<u>\$126,299,452</u>

(1) For the entire fiscal year.

Authorized But Unissued Debt

Following the issuance of the Bonds, the Town will have no authorized but unissued indebtedness.

Cash Flow Borrowings

The Town has not issued tax anticipation notes, revenue anticipation notes, budget notes or deficiency notes in recent years and does not anticipate issuing such notes in the foreseeable future.

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

Population Trend

	<u>2000</u>	<u>2010</u>	<u>2020</u>	Percentage Change <u>2010/2020</u>
Town	108,905	126,595	148,919	17.63%
County	286,753	311,687	338,329	8.55
State	18,976,457	19,378,102	20,201,249	4.25

Source: U.S. Census Bureau.

Comparative Housing and Income Data

<u>Housing:</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Median Value Housing	\$448,800	\$443,400	\$313,700	\$217,500
Median Gross Rent	1,426	1,504	1,280	1,062
<u>Income:</u>				
Per Capita Income	27,420	39,286	39,326	34,103
Median Family Income	78,514	110,289	84,385	77,263

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimate.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the Town, County and State. Unemployment drastically increased in mid-March 2020 due to the COVID-19 global pandemic.

Ten Largest Employers

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Hamaspik of Rockland County Inc.	Healthcare	2,751
County of Rockland	Government/Municipal	1,981
Good Samaritan Hospital	Hospital	1,794
AIDE Services, Inc.	Healthcare	900
SUNY/Rockland Community College	Community College	839
Northern Services Group, Inc.	Healthcare	832
Yedei Chesed	Healthcare	659
PAR Pharmaceutical, Inc.	Pharmaceuticals	636
Chestnut Ridge Transportation, Inc.	Transportation Services	456
Town of Ramapo	Government/Municipal	356

Source: Rockland Economic Development Corporation (as of March, 2018).

Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2016	3.6%	4.0%	4.5%
2017	3.6	4.2	4.6
2018	3.3	3.7	4.1
2019	3.2	3.6	3.8
2020	7.5	8.1	10.0

Source: U.S. Department of Labor and State Department of Labor.

Monthly Unemployment Rates – 2020/2021

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
August 2020	9.2%	9.6%	11.6%
September	6.2	6.6	9.9
October	5.7	5.9	8.3
November	5.5	5.8	8.3
December	5.1	5.7	8.5
January 2021	5.3	6.1	9.4
February	5.6	6.4	9.7
March	5.1	5.6	8.4
April	4.5	4.9	7.7
May	4.0	4.4	7.0
June	4.4	4.7	7.2
July	4.8	5.1	7.4

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March 2020 due to the COVID-19 global pandemic. (See “RISK FACTORS”, “*Effect of COVID-19*” and “FINANCIAL FACTORS” herein)

Utilities

The main utility providers for the Town are Orange & Rockland Utilities, a subsidiary of Consolidated Edison, and Suez Water Company.

Transportation

The Town is served by a road network which includes Interstate 87 (the New York State Thruway with four interchanges in the Town). It also includes Interstate 287, the Palisades Interstate Parkway, the Garden State Parkway, and New York State Routes 17, 45, 59, 202 and 306. There is also a Conrail freight service provided by Norfolk Southern.

Metro North and New Jersey Transit provide commuter train service within the Town. The Town is also serviced by several commuter bus lines, including Hudson Link which provides transportation services throughout Rockland and Westchester Counties, and TRIPS Paratransit, which provides services for seniors over 60 years old and people with disabilities. Train and bus public transportation offer attractive commuting times to surrounding areas as well as to New York City.

End of Appendix A

APPENDIX B

FINANCIAL STATEMENT AND BUDGET SUMMARIES

Town of Ramapo
Revenues, Expenditures and Fund Balance - General Fund
Fiscal Year Ending December 31

	2016	2017	2018	2019	2020
REVENUES					
Real Property Taxes	\$ 14,942,003	\$ 16,593,775	\$ 23,457,904	\$ 27,310,140	\$ 25,042,203
Other Tax Items	748,693	837,695	609,679	677,476	662,630
Non-property taxes	1,973,565	4,665,778	5,045,845	5,621,977	2,179,327
Departmental Income	8,018,484	7,775,460	7,450,974	7,148,086	8,980,763
Intergovernmental Charges	-	-	-		
Use of Money and Property	1,216,774	257,442	233,646	409,361	353,119
Licenses and Permits	7,181	6,768	6,353	6,098	2,905
Fines and Forfeitures	951,294	936,529	1,181,926	1,327,246	639,009
Sale of Property and Compensation for Loss	646,085	3,008	11,358	81,931	21,232
Interfund Revenues	3,598,873	4,968,155	5,142,473	4,546,551	3,670,218
Miscellaneous	38,245	31,362	33,333	45,392	1,195,921
Federal Sources	-	5,074	1,250	-	-
State Sources	3,270,676	427,314	446,946	427,314	3,994,977
Total Revenues	\$ 35,411,873	\$ 36,508,360	\$ 43,621,687	\$ 47,601,572	\$ 46,742,304
EXPENDITURES					
General Government Support	\$ 15,706,605	\$ 16,434,256	\$ 18,859,823	\$ 19,984,105	\$ 24,278,626
Public Safety	143,012	137,274	109,182	213,391	113,351
Health	-	-	-	-	-
Transportation	137,474	155,894	230,731	269,677	234,444
Economic Opportunity and Development	523,000	551,500	494,618	459,900	386,500
Culture and Recreation	10,023,362	9,846,631	9,198,507	8,392,269	6,935,522
Home & Community Servix	257,954	314,956	331,687	344,426	331,580
Employee Benefits	-	-	-	-	-
Debt Service	524,000	535,157	543,025	551,005	139,042
Total Expenditures	\$ 27,315,407	\$ 27,975,668	\$ 29,767,573	\$ 30,214,773	\$ 32,419,065
Excess of Revenues Over (Under) Expenditures	\$ 8,096,466	\$ 8,532,692	\$ 13,854,114	\$ 17,386,799	\$ 14,323,239
Other Financing Sources (Uses):					
Contributions	\$ -	\$ (1,232,310)	\$ (2,302,215)	\$ (2,145,295)	\$ -
Sales of Real Property	-	-	-	-	-
Operating Transfers In	600,000	-	-	-	-
Operating Transfers Out ⁽¹⁾	(11,703,908)	(9,416,373)	(8,398,840)	(8,333,326)	(9,750,577)
Total Other Financing Sources	\$ (11,103,908)	\$ (10,648,683)	\$ (10,701,055)	\$ (10,478,621)	\$ (9,750,577)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,007,442)	\$ (2,115,991)	\$ 3,153,059	\$ 6,908,178	\$ 4,572,662
Fund Balance - Beginning of Year	\$ (8,732,691)	\$ (11,740,133)	\$ (13,856,124)	\$ (10,703,065)	\$ (3,794,887)
Prior Period Adjustment	-	-	-	-	-
Fund Balance - Beggining of year Restated	(8,732,691)	(11,740,133)	(13,856,124)	(10,703,065)	(3,794,887)
Fund Balance - End of Year	\$ (11,740,133)	\$ (13,856,124)	\$ (10,703,065)	\$ (3,794,887)	\$ 777,775

(1) Includes transfer to Debt Service Fund.

Source: Audited financial statements of the Town of Ramapo. Summary itself not audited.

Town of Ramapo
Budget Results - General Fund
Fiscal Year Ending December 31

	2017	2018	2019	2020	2021
<u>REVENUES</u>					
Real Property Taxes	\$ 16,546,960	\$ 23,397,006	\$ 27,256,074	\$ 24,978,049	\$ 21,121,780
Other Tax Items	732,000	750,000	835,000	600,000	710,000
Non-property taxes	2,000,000	2,000,000	2,000,000	2,200,000	2,500,000
Departmental Income	7,617,000	7,061,000	6,766,500	6,728,500	7,197,500
Use of Money and Property	355,000	165,000	440,000	368,000	330,000
Licenses and Permits	7,500	7,500	7,500	7,500	2,000
Fines and Forfeitures	880,000	950,000	950,000	1,100,000	1,300,000
Sale of Property and Compensation for Loss	7,000	7,000	3,000	4,000	4,000
Interfund Revenues	6,517,082	3,753,400	3,565,000	3,815,000	3,085,000
Miscellaneous	-	10,000	10,000	10,000	-
State Aid	2,387,000	3,330,000	3,327,314	3,327,314	3,900,000
Total Revenues	\$ 37,049,542	\$ 41,430,906	\$ 45,160,388	\$ 43,138,363	\$ 40,150,280
<u>EXPENDITURES</u>					
General Government Support	\$ 15,662,353	\$ 19,434,315	\$ 19,586,540	\$ 19,218,282	\$ 17,982,095
Allowance to Increase Fund Balance ⁽²⁾	-	8,000,000	3,323,000	2,000,000	-
Public Safety	215,000	150,000	145,000	180,000	182,000
Transportation	140,538	211,784	398,265	241,112	246,737
Economic Opportunity and Development	593,000	445,800	456,500	481,100	472,300
Culture and Recreation	10,901,603	9,545,268	8,662,097	8,754,870	8,780,175
Home & Community Service	106,300	411,691	418,550	630,898	677,531
Employee Benefits	1,661,717	1,183,910	1,450,000	1,800,975	1,700,968
Debt Service (Interest)	45,157	33,025	16,050	34,200	314,200
Total Expenditures	\$ 29,325,668	\$ 39,415,793	\$ 34,456,002	\$ 33,341,437	\$ 30,356,006
Excess of Revenues Over (Under) Expenditures	\$ 7,723,874	\$ 2,015,113	\$ 10,704,386	\$ 9,796,926	\$ 9,794,274
Other Financing Sources (Uses):					
Sale of Real Property	\$ 2,013,000	\$ 8,000,000	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-	-	-
Operating Transfers Out ⁽¹⁾	(9,738,299)	(10,015,113)	(10,704,386)	(9,796,926)	(9,794,274)
Total Other Financing Sources	\$ (7,725,299)	\$ (2,015,113)	\$ (10,704,386)	\$ (9,796,926)	\$ (9,794,274)
Net Change in Fund Balance	\$ (1,425)	\$ -	\$ -	\$ -	\$ -

(1) Includes transfer to Debt Service Fund.

(2) In 2018, sale of real property was budgeted with the purpose to increase fund balance.

In 2019, property taxes were increased with the purpose to increase fund balance.

Source: Town of Ramapo Adopted Budgets.

Town of Ramapo
Balance Sheet - General Fund
Fiscal Year Ending December 31

<u>ASSETS</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cash and Equivalents	\$ 932,251	\$ 3,264,226	\$ 1,855,983	\$ 5,001,685	\$ 934,578
Investments	-	-	-	-	-
Other Receivables:					
Accounts	718,521	335,727	285,307	374,677	388,033
State and Federal aid	-	-	-	-	-
Due from Other Governments	756,574	1,149,456	1,104,153	1,208,395	2,935,179
Due from Component Unit	-	-	-	-	-
Due from Fiduciary Fund	25,964	-	-	-	-
Due from Other Funds	6,082,603	4,799,451	6,124,948	6,589,409	3,190,000
Prepaid Expenditures	-	-	131,876	130,000	130,000
TOTAL ASSETS	<u>\$ 8,515,913</u>	<u>\$ 9,548,860</u>	<u>\$ 9,502,267</u>	<u>\$ 13,304,166</u>	<u>\$ 7,577,790</u>
 <u>LIABILITIES</u>					
Accounts Payable	\$ 1,183,622	\$ 1,096,907	\$ 693,587	\$ 799,255	\$ 736,291
Accrued Liabilities	2,230,047	2,885,831	2,814,453	2,767,982	2,451,700
Due to Other Funds	16,634,793	16,558,321	16,558,321	12,399,746	2,790,782
Due to Other Governments	83,820	1,328,093	43,160	28,677	28,569
Deposits Payable	49,608	41,954	53,138	971,154	770,182
Unearned Revenues	74,156	100,403	42,673	131,489	22,491
TOTAL LIABILITIES	<u>\$ 20,256,046</u>	<u>\$ 22,011,509</u>	<u>\$ 20,205,332</u>	<u>\$ 17,098,303</u>	<u>\$ 6,800,015</u>
 Deferred Inflows of Resources					
Real Property taxes received in advance of lien date	-	1,393,475	-	750	-
 <u>FUND BALANCE</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	246,850	106,473	48,775	1,914	13,903
Unassigned	(11,986,983)	(13,962,597)	(10,751,840)	(3,796,801)	763,872
TOTAL FUND BALANCE	<u>\$ (11,740,133)</u>	<u>\$ (13,856,124)</u>	<u>\$ (10,703,065)</u>	<u>\$ (3,794,887)</u>	<u>\$ 777,775</u>
 TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,515,913</u>	<u>\$ 9,548,860</u>	<u>\$ 9,502,267</u>	<u>\$ 13,304,166</u>	<u>\$ 7,577,790</u>

Source: Audited financial statements of the Town of Ramapo. Summary itself not audited.

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020*

**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/P21472954-P21142564-P21555904.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. BST & Co. CPA's, LLP, 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 BOND COUNSEL'S LEGAL OPINIONS

FORM OF BOND COUNSEL'S OPINION

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

September 23, 2021

Re: Town of Ramapo, Rockland County, New York,
\$7,745,000 Public Improvement (Serial) Bonds, 2021 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$7,745,000 Public Improvement (Serial) Bonds, 2021 Series A (the "Obligations"), of the Town of Ramapo, Rockland County, New York (the "Obligor"), dated September 23, 2021, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ hundredths per centum (_____%) per annum as to bonds maturing in each of the years 20____ to 20____, both inclusive, payable on September 15, 2022 and semi-annually thereafter on March 15 and September 15, and maturing in the amount of \$_____ on September 15, 2022, \$_____ on September 15, 2023, \$_____ on September 15, 2024, \$_____ on September 15, 2025, \$_____ on September 15, 2026, \$_____ on September 15, 2027, \$_____ on September 15, 2028, \$_____ on September 15, 2029, \$_____ on September 15, 2030, \$_____ on September 15, 2031, \$_____ on September 15, 2032, \$_____ on September 15, 2033, \$_____ on September 15, 2034, \$_____ on September 15, 2035, \$_____ on September 15, 2036, \$_____ on September 15, 2037, \$_____ on September 15, 2038, \$_____ on September 15, 2039, \$_____ on September 15, 2040 and \$_____ on September 15, 2041 .

Obligations maturing on or before September 15, 2029 are not subject to redemption prior to maturity. Obligations maturing on or after September 15, 2030 are subject to redemption prior to maturity, at the option of the Obligor on September 15, 2029 and thereafter on any date, 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 a price equal to the par principal amount, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause

interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

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

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

In our opinion:

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

opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

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

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

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP

FORM OF BOND COUNSEL'S OPINION

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

October 5, 2021

Re: Town of Ramapo, Rockland County, New York,
\$15,450,000 Public Improvement (Serial) Bonds, 2021 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$15,450,000 Public Improvement Refunding (Serial) Bonds, 2021 Series B (the "Obligations"), of the Town of Ramapo, Rockland County, New York (the "Obligor"), dated October 5, 2021, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ hundredths per centum (_____%) per annum as to bonds maturing in each of the years 20____ to 20____, both inclusive, payable on November 1, 2021 and semi-annually thereafter on May 1 and November 1, and maturing in the amount of \$_____ on November 1, 2021, \$_____ on May 1, 2022, \$_____ on May 1, 2023, \$_____ on May 1, 2024, \$_____ on May 1, 2025, \$_____ on May 1, 2026, \$_____ on May 1, 2027, \$_____ on May 1, 2028, \$_____ on May 1, 2029, \$_____ on May 1, 2030, \$_____ on May 1, 2031, \$_____ on May 1, 2032, \$_____ on May 1, 2033, \$_____ on May 1, 2034, \$_____ on May 1, 2035 and \$_____ on May 1, 2036.

Obligations maturing on or before May 1, 2029 are not subject to redemption prior to maturity. Obligations maturing on or after May 1, 2030 are subject to redemption prior to maturity, at the option of the Obligor on May 1, 2029 and thereafter on any date, 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 a price equal to the par principal amount, plus accrued interest to the date of redemption.

We have examined:

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

in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

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

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

In our opinion:

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

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without

limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

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

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP