

\$313,000
TOWN OF THURMAN
(WARREN COUNTY, NEW YORK)
BOND ANTICIPATION NOTE, 2017
(ALTERNATIVE WATER SUPPLY PROJECT)

Issuance Date: May 31, 2017
Maturity Date: May 31, 2018
Interest Rate: 2.26%
Purchaser: Glens Falls National Bank and Trust Company

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**TOWN OF THURMAN
BOND ANTICIPATION NOTE, 2017
(ALTERNATIVE WATER SUPPLY PROJECT)**

No. R-1

\$313,000

The **TOWN OF THURMAN**, a municipality of the State of New York, hereby acknowledges itself indebted and for value received promises to pay to **GLENS FALLS NATIONAL BANK AND TRUST COMPANY** the sum of **THREE HUNDRED THIRTEEN THOUSAND AND 00/100 DOLLARS** (\$313,000) on or before May 31, 2018, together with interest thereon from the date hereof, May 31, 2017, at the rate of two and twenty-six one hundredths percent (2.26%) per annum, payable at maturity. Both principal and interest on this Bond Anticipation Note (the "Note") will be paid in lawful money of the United States of America at the offices of Glens Falls National Bank and Trust Company, 250 Glen Street, Glens Falls, New York.

This Note is the only note of a total authorized issue in the amount of Three Hundred Thirteen Thousand and 00/100 Dollars (\$313,000.00). This Note may not be converted to a bearer Note. This Note is transferable or exchangeable upon the books of the Town kept for that purpose by the registered owner hereof in person, or by his attorney duly authorized in writing.

Upon the surrender of this Note together with a written instrument of transfer or exchange satisfactory to the Town duly executed by the registered owner or his attorney duly authorized in writing, a new Note or Notes, in the same aggregate principal amount and of the same maturity, shall be issued to the transferee or the registered owner in exchange therefor.

This Note may not be redeemed in whole or in part at any time prior to maturity.

This Note is issued pursuant to a resolution entitled: "RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN SERIAL BONDS OF THE TOWN OF THURMAN TO PAY THE COST OF ALTERNATIVE WATER SUPPLY; AND AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN BOND ANTICIPATION NOTES OF THE TOWN FOR THE SAME PURPOSE" duly adopted by the Thurman Town Board on December 13, 2016, and a "Certificate of Determination of Chief Fiscal Officer Prescribing the Terms of \$313,000 Bond Anticipation Note" dated as of May 31, 2017.

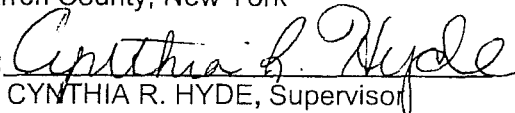
The full faith and credit of said Town of Thurman are hereby irrevocably pledged for the punctual payment of the principal and interest on this Note according to its terms.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State of New York to exist, to have happened, and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of such Town of Thurman, is within every debt and other limit prescribed by the Constitution and laws of such State. To the extent that it is permitted to do so under the Internal Revenue Code of 1986, as amended (the "Code"), the Town has designated this Note as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

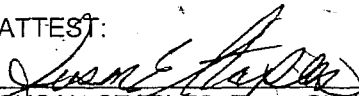
IN WITNESS WHEREOF, the Town of Thurman has caused this Note to be signed by its Chief Fiscal Officer and its corporate seal to be hereunto affixed and attested by its Town Clerk, and this Note to be dated as of May 31, 2017.

[SEAL]

TOWN OF THURMAN
Warren County, New York

By: 
CYNTHIA R. HYDE, Supervisor
Chief Fiscal Officer

ATTEST:


SUSAN STAPLES, Town Clerk

ISSUER'S CERTIFICATE

I, Cynthia R. Hyde, Chief Fiscal Officer of the Town of Thurman, Warren County, New York (the "Town"), DO HEREBY CERTIFY as follows:

1. On the date of this Certificate, the following persons constitute:

(a) the duly chosen, qualified and acting officers of the Town holding the respective offices set forth opposite their names:

| NAME | OFFICE |
|------------------|--------------------------------------|
| Cynthia R. Hyde | Town Supervisor/Chief Fiscal Officer |
| Susan Staples | Town Clerk |
| Mark Schachner | Town Counsel |
| Robert H. Hafner | Bond Counsel |

(b) the duly chosen, qualified, acting and only members of the Thurman Town Board on the date hereof, who have not modified, amended or repealed the resolution entitled: "RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN SERIAL BONDS OF THE TOWN OF THURMAN TO PAY THE COST OF ALTERNATIVE WATER SUPPLY; AND AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN BOND ANTICIPATION NOTES OF THE TOWN FOR THE SAME PURPOSE" duly adopted by the Board on December 13, 2016 (the "Bond Resolution"):

Cynthia R. Hyde
Joan Harris
Kathy Templeton
Michael Eddy

2. I did officially execute the Town's \$313,000 Bond Anticipation Note, 2017 (Alternate Water Supply Project) dated as of May 31, 2017 (the "Note"), bearing interest at the rate of 2.26% per annum, numbered R-1 and maturing May 31, 2018. The Note may not be redeemed by the Town in whole or in part prior to maturity.

3. The Bond Resolution authorizing the issuance of the Bond was adopted by at least a two-thirds vote of the voting strength of the Town Board. There have been no further proceedings of the Board relating to the Bond Resolution since such date. A certified copy of the Bond Resolution is attached hereto.

4. An Estoppel Notice/Summary of Bond Resolution was published in the *Post Star* with the notice required by Section 81.00 of the Local Finance Law on December 30, 2016, and a copy of proof of such publication is attached hereto.

5. The cost of the Project will not be assessed upon benefited real property.

6. No litigation of any nature is now pending or, to our knowledge, threatened: (A) to restrain or enjoin the execution or delivery of the Note, or the levy and collection of taxes or assessments to pay the same, (B) in any manner questioning or affecting, directly or indirectly, the validity of the Note or the proceedings or authority for the issuance thereof or (C) contesting the corporate existence or boundaries of the Town or the title of the undersigned officers to their respective offices.

7. No authority or proceedings for the issuance of the Note have been repealed, revoked, or rescinded.

8. The proceeds of the Note will not be used to refund outstanding bonds or notes of the Town or to reimburse the Town for payments made in connection with the Project prior to the date of the Bond Resolution.

9. The sum of the Note and other existing indebtedness of the Town will not exceed seven percent (7%) of the average full valuation of the Town.

10. The Town of Thurman is a town wholly or partially within the Adirondack Park. However, State lands subject to taxation within the Town's boundaries are assessed at less than thirty percent (30%) of the total taxable assessed valuation of the Town, so permission of the State Comptroller to issue the Note is not required under Local Finance Law Section 104.10(3).

11. The corporate seal of the Town, or a facsimile thereof, has been impressed or imprinted on the Note.

12. On the date of the execution of the Note and on the date set forth below, I was and am the duly chosen, qualified and acting officer indicated therein and on this certificate and duly authorized to execute the Note.

13. The Town Clerk, as "fiscal agent" of the Town, has executed a bond in the form and in such sum and with such sureties as the Town Board has directed and approved, and such bond has been filed in the office of the Warren County Clerk.

14. On the date of this certificate the Note will be actually delivered to Glens Falls National Bank and Trust Company, the purchaser of the Note, against receipt of the purchase price as follows:

| | |
|------------------|------------------|
| Purchase Price | \$313,000 |
| Accrued Interest | -0- |
| <u>TOTAL</u> | <u>\$313,000</u> |

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Town as of May 31, 2017, being the date of the actual delivery of the Note as aforesaid.

[SEAL]

BY: *Cynthia R. Hyde*
CYNTHIA R. HYDE, SUPERVISOR
 Chief Fiscal Officer

I hereby certify that the signature of the officer above subscribed is true and genuine.

BY: *Susan E Staples*
Susan Staples, Town Clerk

RESOLUTION NO.: 137
INTRODUCED BY: Councilwoman Seaman
SECONDED BY: Councilwoman Shepler
DATED: December 27, 2014

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN SERIAL BONDS OF THE TOWN OF THURMAN TO PAY THE COST OF ALTERNATIVE WATER SUPPLY; AND AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN BOND ANTICIPATION NOTES OF THE TOWN FOR THE SAME PURPOSE

WHEREAS, elevated levels of salt have been found in the well water located on and servicing certain properties in the vicinity of the Town's salt shed; and

WHEREAS, there were allegations that the elevated levels of salt in the well water were caused by a Town owned salt pile which allowed salt to enter the groundwater; and

WHEREAS, the Town denies all liability related to the elevated salt levels in the well water but has offered to install alternate water systems for affected properties in an effort to settle claims that may be related to the elevated salt levels; and

WHEREAS, the New York State Department of Environmental Conservation ("DEC") has required the Town to install alternate water systems for affected properties and DEC and the Town have agreed upon or will agree upon an Order on Consent or other binding and enforceable determination acceptable to both parties; and

WHEREAS, the Town wishes to finance the cost of the alternate water system:

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF THURMAN, WARREN COUNTY, NEW YORK, AS FOLLOWS:

Section 1. The specific object or purpose for which the obligations authorized by this Resolution (the "Bond Resolution") are to be issued is an alternate water supply for five homes and adjacent municipal buildings experiencing elevated levels of salt in their well water, including related preliminary and incidental costs (the "Project"), and such specific object or purpose is hereby authorized at a maximum estimated cost of Three Hundred Thirteen and 00/100 Dollars (\$313,000.00).

Section 2. The plan for the financing of such maximum estimated cost is issuance of up to \$313,000 in serial bonds and/or bond anticipation notes of said Town, hereby authorized to be issued pursuant to the Local Finance Law.

The proceeds of the bonds or bond anticipation notes may be used to reimburse expenditures paid by the Town from other funds or otherwise on or after the date of adoption of this Bond Resolution. The Town may submit applications for additional grants and/or low interest loans from the New York State Environmental Facilities Corporation ("EFC") and/or other funding sources and, to the extent that any such

moneys are received, may apply such funds to the payment of principal and interest on the bonds or bond anticipation notes. Pursuant to Local Finance Law Section 107.00(d)(9), a down payment from current funds is not required.

Section 3. The Town Board anticipates that the Town may pay certain capital expenditures in connection with the Project prior to the receipt of the proceeds of the Bonds. The Town Board hereby declares its official intent to use Bond proceeds to reimburse the Town for such Project expenditures. This section of the Resolution is adopted solely for the purpose of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations and does not bind the Town to make any expenditure, incur any indebtedness or proceed with the acquisition, construction and installation of the Project.

Section 4. It is hereby determined that the period of probable usefulness of the specific object or purpose is forty (40) years for the improvements for the Town's municipal building, pursuant to Section 11.00(a)(1) of the Local Finance Law, and five (5) years for the improvements to the five (5) homes required pursuant to a DEC Order on Consent or other binding and enforceable determination, pursuant to Section 11.00(a)(33) of the Local Finance Law. It is hereby further determined that the maximum maturity of the serial bonds herein authorized will not exceed five (5) years.

Section 5. The faith and credit of the Town of Thurman, Warren County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such obligations as they become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such obligations becoming due and payable in such years. There shall annually be levied on all the taxable real property in the Town a tax sufficient to pay the principal of and interest on such obligations as they become due and payable. This Bond Resolution is not subject to permissive referendum pursuant to Local Finance Law Section 35.00.

Section 6. For the purpose of paying the cost of the Project, there are hereby authorized to be issued serial bonds of the Town up to a maximum amount of \$313,000 the maximum maturity of which shall not exceed the forty (40) year period of probable usefulness set forth above (which is further limited by the five (5) year limitation detailed in Section 4 above) and which shall mature on or before such date as measured from the date of the bonds or from the date of the first bond anticipation note issued in anticipation of the sale of such bonds, whichever date is earlier. The bonds may be issued in the form of a statutory installment bond.

Section 7. There are hereby authorized to be issued bond anticipation notes for the specific object or purpose in an amount up to but not exceeding the \$313,000 maximum amount of serial bonds authorized to be issued, in anticipation of the issuance and sale of the serial bonds authorized, including renewals of such bond anticipation notes.

Section 8. Any bond anticipation notes shall be payable from the proceeds derived from the sale of the bonds or otherwise redeemed in the manner provided by

Section 23.00 of the Local Finance Law. The faith and credit of the Town are hereby irrevocably pledged for the payment of the bond anticipation notes and the interest on them.

Section 9. There are no bond anticipation notes outstanding which have been previously issued in anticipation of the sale of these bonds. Neither are the bond anticipation notes hereby authorized renewal notes. These bond anticipation notes will not be issued in anticipation of bonds for an assessable improvement. These notes shall mature at such time as the Town may determine and may be renewed from time to time, provided that in no event shall such notes or renewals extend more than one (1) year beyond the original date of issue except as permitted in the Local Finance Law.

Section 10. Subject to the terms and conditions of this Resolution and of the Local Finance Law, and pursuant to the provisions of Sections 30.00, 50.00 and 56.00 to 60.00, inclusive, of the Local Finance Law, the power to authorize bond anticipation notes in anticipation of the issuance of the serial bonds authorized by this Resolution and the renewal of these notes, and the power to prescribe the terms, form and contents of the serial bonds and bond anticipation notes and the power to sell and deliver the serial bonds and bond anticipation notes issued in anticipation of the issuance of the bonds is hereby delegated to the Town Supervisor, the Chief Fiscal Officer of the Town. The Town Supervisor is hereby authorized to sign any serial bonds and bond anticipation notes issued in anticipation of the issuance of the serial bonds and bond anticipation notes issued pursuant to this Resolution by manual or facsimile signature, and the Town Clerk is hereby authorized to affix or impress or imprint a facsimile of the seal of the Town to any of the serial bonds or bond anticipation notes and to attest such seal by manual or facsimile signature. If executed by facsimile signature, such obligation shall be authenticated by the manual countersignature of the Town Supervisor or a designated fiscal agent. The Town Supervisor, as Chief Fiscal Officer of the Town, is authorized to execute and deliver any documents and to take such other action as may be necessary and proper to carry out the intent of the provisions of this Resolution.

Section 11. The exact date of issuance of the bonds and/or notes and the exact date upon which they shall become due and payable shall be fixed and determined by the Chief Fiscal Officer, provided, however, that the maturity of the notes or renewals shall not exceed one (1) year from the date of issue except as permitted by the Local Finance Law.

Section 12. The Chief Fiscal Officer shall prepare the bonds and/or notes and sell them at public or private sale and in accordance with the provisions of the Local Finance Law including, but not limited to, the provisions of Section 169.00, if applicable, and at such sale shall determine the interest rate to be borne by such bonds and/or notes, and whether fixed or variable. The Town Board authorizes the Chief Fiscal Officer to establish substantially level annual debt service or a declining annual balance for the repayment of such Bonds if the Chief Fiscal Officer believes it is in the best interests of the Town. The Town Board authorizes the Chief Fiscal Officer to issue such serial bonds in the form of a statutory installment bond.

Section 13. If issued, the bonds and/or notes shall be in registered form, and shall bear interest at the determined rate.

Section 14. The Chief Fiscal Officer shall deliver the bonds and/or notes to the purchaser only against a certified check or other immediately available funds. The proceeds of the sale of the bonds and/or notes shall be deposited and/or invested as required by Section 165.00 of the Local Finance Law, and the power to invest the proceeds of sale is hereby delegated to the Chief Fiscal Officer and the power to invest in any instruments described in Section 165.00 is expressly granted.

Section 15. To the extent that it is permitted to do so under the Internal Revenue Code of 1986, as amended (the "Code"), the Town hereby designates the bonds and/or notes as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code. The Town hereby covenants that, to the extent permitted under the Code in effect as of the date of issuance of any bonds and/or notes, it will (i) take all actions on its part necessary to cause interest on the bonds and/or notes to be excluded from gross income for purposes of Federal income taxes and (ii) refrain from taking any action which would cause interest on the bonds and/or notes to be included in gross income for purposes of Federal income taxes.

Section 16. The Town of Thurman is a town wholly within the Adirondack Park. However, State lands subject to taxation within the Town's boundaries are assessed at less than thirty percent (30%) of the total taxable assessed valuation of the Town, so permission of the State Comptroller to issue the bonds and/or notes is not required under Local Finance Law Section 104.10(3).

Section 17. This Bond Resolution is contingent upon the Town and DEC entering into a mutually acceptable Order on Consent or other binding and enforceable determination regarding the installation of water systems for the five (5) homes. Financing for such improvements shall be issued only after such Order on Consent or other binding and enforceable determination is fully executed.

Section 18. Miller, Mannix, Schachner & Hafner, LLC, Glens Falls, New York, is hereby designated bond counsel.

Section 19. The validity of these serial bonds and bond anticipation notes may be contested only if:

- (A) These obligations are authorized for an object or purpose for which the Town is not authorized to expend money, or
- (B) The provisions of law which should be complied with at the date of publication of this Resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of such publication, or
- (C) Such obligations are authorized in violation of the provisions of the State Constitution.

Section 20. This Resolution or a summary thereof shall be published in the *Post Star*, which has been designated as the official newspaper of the Town, together with a notice of the Town Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

Section 21. This Resolution shall take effect immediately.

Section 22. The question of the adoption of this Resolution was duly put to a vote on roll call which resulted as follows:

AYES: 4 NAYS: — ABSENT: —

Abstention: 1

ROLL CALL

AYES: Gail Seaman, John Youngblood, Evelyn Wood, Susan Shepler

NAYS: —

ABSENT: —

Abstention: Michael Eddy

The Resolution was declared duly adopted by a vote of not less than two-thirds (2/3) of the full membership of the Town Board.

STATE OF NEW YORK)
)SS:
COUNTY OF WARREN)

I, Jeanie Sprague, Town Clerk of the Town of Thurman of the County of Warren, do hereby certify that the foregoing is a true and correct copy and the whole thereof, of a Resolution duly adopted by the Town Board of the Town of Thurman of the County of Warren, on the 27th day of December, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Town of Thurman this 28th day of December, 2016.

Jeanie M. Sprague
Jeanie M. Sprague
Clerk of the Town of Thurman
County of Warren

WARREN COUNTY AFFIDAVIT

STATE OF NEW YORK:

County of Warren, ss:

Donna Morehouse _____ being duly sworn,

says that (s)he is an authorized designee for Lee Enterprises, publishers of THE POST-STAR, a daily newspaper published in Glens Falls, Warren County, State of New York, and that the printed notice attached hereto was cut from the said POST-STAR, and that the said notice was published therein, namely

Town of Thurman - Estoppel Notice
December 30, 2016

TOWN OF THURMAN-LEGALS

311 ATHOL ROAD

ATHOL, NY 12810

ORDER NUMBER 8378

Signed this 30 day of December, 2016
Donna Morehouse

Sworn to before me this 30 day of Dec, 2016
[Signature]

ESTOPPEL NOTICE AND SUMMARY OF BOND RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN SERIAL BONDS ANDR BOND ANTICIPATION NOTES OF THE TOWN OF THURMAN TO PAY THE COST OF ALTERNATIVE WATER SUPPLY FOR CERTAIN PROPERTIES

The Bond Resolution which is summarized below was adopted by the Thurman Town Board on December 27th, 2016. The validity of the obligations authorized by the Bond Resolution may be contested only if (i) the obligations were authorized for an object or purpose for which the Town is not authorized to expend money or (ii) the provisions of law which should have been complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of publication of this notice, or (iii) such obligations were authorized in violation of the provisions of the State Constitution.

The specific object or purpose for which the obligation authorized by the Bond Resolution are to be issued is an alternative water supply for five homes and adjacent municipal buildings experiencing elevated levels of salt in their well water, including related preliminary and incidental costs (the "Project"). The maximum estimated cost of the Project is \$313,000. The periods of probable usefulness of the Project are forty (40) years, pursuant to Section 11(a)(1) of the New York Local Finance Law, for the municipal building improvements and five (5) years for the portion for the improvements for five (5) homes. The plan for financing the maximum estimated cost is issuance of up to \$313,000 in serial bonds and/or bond anticipation notes of the Town. The Bond Resolution authorized the issuance of serial bonds and/or bond anticipation notes, including renewals of the bond anticipation notes, of the Town up to the maximum amount of \$313,000, the maximum maturity of which will not exceed five (5) years. A tax sufficient to pay the principal of and interest on such obligations as they become due and payable will be levied on all the taxable real property of the Town annually. A full copy of the Bond Resolution will be available for public inspection during normal business hours for twenty (20) days following publication of this Summary at the office of the Town Clerk, Thurman, New York.

PUB: DECEMBER 30, 2016

PUBLISHED ON: 12/30/2016

TOTAL AD COST: 86.86

FILED ON: 12/28/2016

**CERTIFICATE OF DETERMINATION OF CHIEF FISCAL OFFICER
PRESCRIBING THE TERMS OF \$313,000 BOND ANTICIPATION NOTE**

I, Cynthia R. Hyde, Chief Fiscal Officer of the Town of Thurman, Warren County, New York (the "Town"), **DO HEREBY CERTIFY** as follows:

1. At a meeting of the Town Board held on December 13, 2016, the Town Board adopted a resolution (the "Bond Resolution") which granted to the Chief Fiscal Officer pursuant to Section 30.00 of the Local Finance Law the power to authorize the issuance of the bond anticipation notes authorized by the Bond Resolution and to prescribe the terms, form and contents of such notes, and the power to sell and deliver the notes and to sign any notes and to execute and deliver any documents and to take such other action as may be necessary and proper to carry out the intent of the provisions of the Bond Resolution, which authority is still in full force and effect and has not been modified, amended or revoked.

2. In accordance with such authority and pursuant to the provisions of Section 23.00 of the Local Finance Law, I have authorized the issuance of the Town's \$313,000 Bond Anticipation Note, 2017 (Alternate Water Supply Project) (the "Note") and prescribed the terms, form and contents thereof. I shall execute the Note in the name of the Town as Chief Fiscal Officer, and the seal of the Town shall be impressed thereon and attested by the Town Clerk.

3. The following statements are made pursuant to the provisions of Section 30.00 of the Local Finance Law:

a. The specific object or purpose for which the Note is to be issued is to pay the cost of an alternate water supply for five homes and adjacent municipal buildings experiencing elevated levels of salt in their well water, including related preliminary and incidental costs as per a New York State Department of Environmental Conservation Consent Order (the "Project").

b. This Note is issued pursuant to a resolution entitled: "RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN SERIAL BONDS OF THE TOWN OF THURMAN TO PAY THE COST OF ALTERNATIVE WATER SUPPLY; AND AUTHORIZING THE ISSUANCE OF UP TO \$313,000 IN BOND ANTICIPATION NOTES OF THE TOWN FOR THE SAME PURPOSE", duly adopted by the Town Board of said Town of Thurman on December 13, 2016 (the "Bond Resolution").

c. For the purpose of paying the cost of the Project, the Bond Resolution authorized the issuance of serial bonds of the Town up to a maximum amount of \$313,000.

d. The Note is hereby authorized to be issued for the Project in the amount of \$313,000, in anticipation of the issuance and sale of the bonds authorized by the Bond Resolution.

e. No bond anticipation notes have been heretofore issued in anticipation of the issuance of the bonds authorized by the Bond Resolution.

- f. The Note hereby authorized is not a renewal note.
- g. The Note shall mature May 31, 2018.
- h. The Note will not be issued in anticipation of bonds for an assessable improvement.

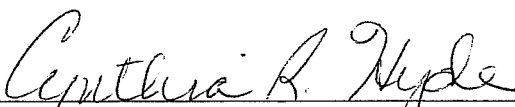
4. The Note shall be issued, bear interest and mature as follows:

| | |
|-------------------------------|---|
| Amount: | \$313,000 |
| Date: | May 31, 2017 |
| Maturity: | May 31, 2018 |
| Redemption Prior to Maturity: | No |
| Interest Rate: | 2.26% |
| Interest Payable: | At maturity |
| Paying Agent: | Cynthia R. Hyde, Supervisor |
| Convertible to Bearer Form: | No |
| Form: | Substantially in the form attached hereto |

5. The Note is hereby sold at private sale pursuant to Local Finance Law Section 60.00 and shall be delivered to Glens Falls National Bank and Trust Company at a price of not less than par plus accrued interest, if any. I hereby certify that, including the Note, the Town of Thurman has sold less than five million dollars (\$5,000,000.00) of bonds and/or notes at private sale during this calendar year. Delivery shall be made to the purchaser against payment by certified check or other immediately available funds of the principal and accrued interest, if any, to the date of delivery.

6. As required by Section 30.00 of the Local Finance Law, I will file this Certificate with the Town Board before issuing the Note.

Dated: as of May 31, 2017

BY: 
CYNTHIA R. HYDE, Supervisor
Chief Fiscal Officer

CERTIFICATE OF TOWN CLERK

I, Susan Staples, Town Clerk of the Town of Thurman, Warren County, New York (the "Town") DO HEREBY CERTIFY that the foregoing annexed Certificate of Determination of Chief Fiscal Officer Prescribing the Terms of \$313,000 Bond Anticipation Note has been duly executed by the Town Supervisor as Chief Fiscal Officer of the Town and duly filed with me in my capacity as the Town Clerk; and I further

CERTIFY that the Town Board has not amended, modified or revoked the Bond Resolution described in said Certificate and that the powers delegated to the Chief Fiscal Officer in the Bond Resolution are in full force and effect and that the Town Board has not elected by resolution or otherwise to reassume any of the powers delegated thereby; and I further

CERTIFY that the foregoing annexed Certificate has been compared by me with the original thereof and officially recorded in my office as a public record open to public inspection and is a true, complete and correct copy thereof and the whole of said Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Town as of May 31, 2017.

[SEAL]

BY: 
SUSAN STAPLES, Town Clerk

TAX MATTERS CERTIFICATE

I, the undersigned, **DO HEREBY CERTIFY** that I am the Chief Fiscal Officer of the Town of Thurman, Warren County, New York (the "Town"), and that, in my capacity as such, I am charged with the responsibility for issuing the Bond Anticipation Note of the Town in the principal amount of Three Hundred Thirteen Thousand and 00/100 Dollars (\$313,000.00) (the "Note") on the date hereof, and I further certify as follows:

NON-ARBITRAGE CERTIFICATION

1. The facts and circumstances set forth below are in existence on the date hereof. The Town's expectations as to future events are also set forth below and include the expectation that the proceeds of the Note will not be used in a manner that would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and regulations thereunder. To the best of the knowledge and belief of the undersigned, the Town's expectations are reasonable.

2. The proceeds of the Note will be used to pay the cost of an alternate water supply for five homes and adjacent municipal buildings experiencing elevated levels of salt in their well water, including related preliminary and incidental costs (the "Project"), as described in the Bond Resolution duly adopted by the Town Board on December 13, 2016 (the "Bond Resolution"), authorizing the expenditure of funds up to \$313,000 for the Project, to be funded by the issuance of bonds and/or bond anticipation notes. With regard to the Note and the Project:

a. The date of the issuance of the Note has been determined solely on the basis of *bona fide* financial reasons, in accordance with ordinary practices in financing purposes similar to the Project, and has not been determined with a view to abnormally prolonging the period between issuance of the Note and expenditure of the proceeds.

b. The total aggregate cost of the Project is not less than \$313,000 as set forth in the Bond Resolution.

c. The Town has entered into substantial binding contracts obligating the expenditure of the proceeds of the Note following issuance of the Note. Therefore, not less than the lesser of \$100,000 or 2 1/2% of the cost of the Project will be expended prior to November 30, 2017, the date six months from the date hereof.

d. All of the principal proceeds of the Note will be used, needed and fully expended for the costs of the Project following the issuance of the Note and, therefore, all of such proceeds will be expended prior to May 31, 2020, the date three years from the date hereof, and until so used, may be invested without restriction as to yield.

3. All amounts earned from investment of proceeds of the Note, if any, will be expended within one year of receipt thereof to pay debt service on the Note and until such time may be invested without restriction as to yield.

4. All payments of principal or interest on the Note (other than those made from refunding bonds) shall be made from current annual revenues of the Town. The Town may use a *bona fide* debt service fund in order to achieve a proper matching of revenues and debt service for the Note and for other obligations of the Town within each bond year. If so, such debt service fund will be depleted, except for a reasonable carryover amount (as described in the Regulations), at least once a year.

5. The Town hereby covenants with the holder of the Note that the Town will (a) take all actions on its part necessary to cause interest on the Note to be excluded from gross income under current Code Section 103 for purposes of federal income taxes, and (b) refrain from taking any action which would cause interest on the Note to be included in gross income under current Code Section 103 for purposes of federal income taxes. However, the Town cannot predict or covenant concerning future Code amendments which might preclude the Town's ability to maintain the tax-exempt status of interest on the Note.

6. There is not expected to be any fund not described above that will (a) be needed to pay principal or interest on the Note, (b) replace funds that will be used to pay principal or interest on the Note or (c) be pledged to secure the Note.

7. The Town has not received notice that its certificates as to arbitrage may not be relied upon with respect to its issues, nor has it been advised that any such adverse action is contemplated by the Commissioner of Internal Revenue.

CERTIFICATION OF DESIGNATION

8. The Note is hereby designated as "qualified tax-exempt bonds" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

9. In furtherance of the aforesaid designation, (a) the sum of the principal amount of the Note and the principal amount of any other tax-exempt obligations heretofore issued during the current calendar year by the Town (including obligations of any subordinate entities as such term is used in Section 265(b)(3)(E) of the Code) and designated as "qualified tax-exempt bonds", within the meaning of Section 265(b)(3) of the Code, does not exceed \$10,000,000; and (b) the total principal amount of all tax-exempt obligations of the Town (including the Note and including obligations of any subordinate entities as such term is used in Section 265(b)(3)(E) of the Code, but not including any obligations not taken into account in determining the Town's status as a qualified small issuer) reasonably expected to be issued during the current calendar year does not exceed \$10,000,000.

10. The Note is not "private activity bonds" as defined in Section 141 of the Code.

11. The Town is not a subordinate entity (as such term is used in Section 265(b)(3)(E) of the Code) with respect to any other entity.

TAX COMPLIANCE CERTIFICATION

12. The Note is not "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"); ninety-five percent (95%) or more of the net proceeds of the Note are to be used for local governmental activities of the Town.

13. No payment of the principal of, or interest on, any portion of the proceeds of the Note is (under the terms of such Note or any underlying arrangement) directly or indirectly (A) secured by any interest in (i) property used or to be used for a private business use or (ii) payments in respect of such property or (B) to be derived from payments (whether or not to the Town) in respect of property, or borrowed money, used or to be used for a private business use.

14. No portion of the proceeds of the Note is to be used (directly or indirectly) to make or finance loans to persons other than "governmental units", as such term is used in Section 141(c) of the Code.

15. The Town will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

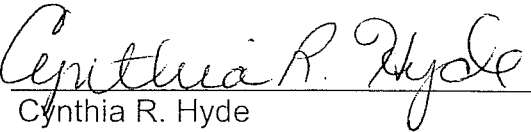
16. The Note is not to be used for advance refundings as defined in Section 149(d) of the Code.

17. The Town understands that compliance with the covenants and representations contained in this Tax Matters Certificate after the Delivery Date and while the Note is outstanding is necessary to ensure the interest on the Note remains excludable from gross income for Federal income tax purposes. The Town agrees to periodically monitor the requirements applicable to the Note and described in this Tax Matters Certificate, and take such action to ensure such requirements are complied with. If the Town unexpectedly fails to satisfy the requirements for maintaining the exclusion of interest on the Note from federal gross income under Section 103 of the Code (whether set forth in this Tax Matters Certificate or otherwise), it shall immediately evaluate, with the assistance of nationally recognized bond counsel, the remedies available under the Code, including Treasury Regulation Section 1.141-12 and other IRS guidance provided as to remediation of violations of Sections 103 and 141-150 of the Code.

18. The Town will timely cause to be mailed a properly completed and executed Information Return for Governmental Issuer (Form 8038-G) to the Internal Revenue Service Center, Ogden, Utah 84201.

To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the foregoing matters and expectations. However, the Town cannot predict future Code amendments which might change the treatment of the Note in connection with the matters addressed above.

IN WITNESS WHEREOF, I have hereunto set my hand as of May 31, 2017.

By: 
Cynthia R. Hyde
Chief Fiscal Officer

POST-ISSUANCE TAX COMPLIANCE AND CONTINUING DISCLOSURE POLICY FOR TAX-EXEMPT OBLIGATIONS

Date Adopted: May 31, 2017

I. INTRODUCTION

A. General

The purpose of this Post-Issuance Tax Compliance and Continuing Disclosure Policy is to establish written policies and procedures in connection with tax-exempt bonds or other obligations ("Bonds") issued by the Town of Chester (the "Issuer") to ensure that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met.

Because some of the Issuer's debt will remain outstanding for many years, it is important to have specific procedures that can be followed over time even though the individuals responsible may change. The particular procedures that are appropriate may vary depending upon the size and complexity of the issues. It is also important to assign responsibility for post issuance compliance and to be sure that sufficient information is routinely identified and maintained to allow those who later assume that responsibility to comply with the post-issuance requirements.

B. Responsibility and Review

The Town Supervisor shall be the official responsible for the overall debt management activities of the Issuer (the "Responsible Official"). The Responsible Official, by and through these written procedures, shall assign departments or individuals to be responsible for different aspects of the Post-Issuance Requirements and will coordinate record-keeping and review. In addition, these procedures will determine the frequency for review of various items and plan of implementation. In the absence of any other indication, each debt issue of the Issuer will be reviewed for post issuance compliance no less than once annually. This annual review will consist of examining all of the aspects of post issuance compliance outlined by these procedures. The annual review will be conducted by the Responsible Official and shall include only those persons directly responsible for a noted aspect of post issuance compliance.

The Responsible Official shall review post issuance compliance of each issue of the Issuer. Such review shall address all areas of compliance with Post Issuance Requirements and set forth any area of non-compliance and suggest a plan of action for remedying such non-compliance. The Responsible Official shall determine the appropriate action to be taken.

