

[SUBJECT TO PERMISSIVE REFERENDUM]

LEGAL NOTICE

The resolution published herewith has been adopted on the 16th day of May, 2018, and the validity of the obligations authorized by such resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the Town of East Greenbush is not authorized to expend money or if 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 such obligations were authorized in violation of the provisions of the constitution. The time for filing a petition requesting that the issuance of the obligations be submitted to a referendum has expired.

Town Clerk

A Bond Resolution Authorizing Not To Exceed \$6,216,032 Aggregate Principal Amount of Serial General Obligation Bonds to Finance the Acquisition of Sewer Facilities, at an Estimated Maximum Cost of \$6,216,032, Levy of Tax in Annual Installments in Payment Thereof, the Expenditure of Such Sum for Such Purpose, and Determining Other Matters in Connection Therewith

WHEREAS, this resolution was presented to the Town Board on May 16, 2018; and

WHEREAS, Rensselaer County Water and Sewer Authority (the “Authority”) issued its \$6,555,000 Sewer Service Agreement Revenue Bonds, 2008 (the “Authority 2008 Sewer Bonds”) to finance the construction of a portion of the sewage collection, treatment and disposal system (the “Sewer Facilities”) for the Town of East Greenbush (the “Town”); and

WHEREAS, the Authority 2008 Sewer Bonds are special obligations of the Authority, and are payable from payments from the Town under a Sewer Service Agreement between the Town and the Authority dated as of June 1, 2008 (the “Sewer Service Agreement”); and

WHEREAS, under the Sewer Service Agreement, the Town makes quarterly service fee payments in amounts sufficient to pay, when due, all installments of principal of, premium, if

any, and interest on all Authority 2008 Sewer Bonds and all Sewer Facilities operating expenses of the Authority; and

WHEREAS, the Authority 2008 Sewer Bonds are subject to redemption at any time upon the Authority's notifying the trustee for the Authority 2008 Sewer Bonds that it has decided to redeem the Authority 2008 Sewer Bonds with the proceeds of monies received by the Authority from the Town, which monies the Town received pursuant to a financing with the New York State Environmental Facilities Corporation ("EFC") its successors or assigns; and

WHEREAS, the Authority 2008 Sewer Bonds also are subject to redemption in whole or in part on any interest payment date on or after September 1, 2018; and

WHEREAS, the Town desires to acquire the Sewer Facilities from the Authority and to finance the acquisition through the issuance of its general obligation bonds; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the Town Board of the Town has determined that the acquisition of the Sewer Facilities constitutes a "Type II" action as that term is defined under SEQRA, and therefore no further review is required; and

WHEREAS, the Town Comptroller in consultation with municipal financial advisors believes over the life of the debt, the resolution will have a material positive impact on the Town finances;

now therefor be it

RESOLVED, BY THIS TOWN BOARD AS FOLLOWS:

Section 1. The Town shall acquire the Sewer Facilities from the Authority, at a maximum cost of \$6,216,032, as more particularly described in Section 3 hereof.

Section 2. The Town is hereby authorized to issue its serial general obligation bonds (the “Bonds”) in the aggregate principal amount of not to exceed \$6,216,032 pursuant to the Local Finance Law of New York, in order to finance the class of objects or purposes described herein.

Section 3. The class of objects or purposes to be financed pursuant to this Resolution (the “Purpose”) is the acquisition of the Sewer Facilities, including, but not limited to, a sewer by-pass line which takes overflow from the Town wastewater treatment plant and re-directs it to the sewage treatment plant owned by Rensselaer County Sewer District No. 1, upgrades to the Town wastewater treatment plant and various Town sewer pumping stations, and storm water sewers throughout the Town as part of a storm water management and infiltration and inflow reduction plan.

Section 4. It is hereby determined and declared that (a) the maximum cost of the Purpose, as estimated by the Town Board, is \$6,216,032, (b) no money has heretofore been authorized to be applied to the payment of the cost of the Purpose, and (c) the Town plans to finance the cost of the Purpose from funds raised by the issuance of the Bonds and bond anticipation notes hereinafter referred to.

Section 5. It is hereby determined that said Purpose is an object or purpose described in subdivision 4 of paragraph (a) of Section 11.00 of the Local Finance Law, and that the period of probable usefulness of said Purpose is 40 years. The proposed maturity of the Bonds will be in excess of five (5) years.

Section 6. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the sale of the Bonds, including

renewals of such notes, is hereby delegated to the Supervisor of the Town, the chief fiscal officer. The Supervisor of the Town also is authorized to execute and deliver any documents required to be executed and delivered by the Town in connection with the acquisition of the Sewer Facilities from the Authority and the redemption of the Authority 2008 Sewer Bonds.

Section 7. The power to further authorize the issuance of the Bonds and bond anticipation notes and to prescribe the terms, form and contents of the Bonds and bond anticipation notes, including the consolidation with other issues and the use of substantially level or declining debt service, subject to the provisions of this Resolution and the Local Finance Law, and to sell and deliver the Bonds and bond anticipation notes, is hereby delegated to the Supervisor of the Town. The Supervisor of the Town is hereby authorized to sign and the Town Clerk is hereby authorized to attest any Bonds and bond anticipation notes issued pursuant to this Resolution, and the Town Clerk is hereby authorized to affix to such Bonds and bond anticipation notes the corporate seal of the Town.

Section 8. The faith and credit of the Town of East Greenbush, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such Bonds and bond anticipation notes as the same respectively 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 year. There shall be levied annually on all taxable real property of the Town, a tax sufficient to pay the principal of and interest on such obligations as the same become due and payable.

Section 9. This Resolution shall constitute the Town's "official intent", within the meaning of Section 1.150-2 of the Treasury Regulations, to finance the cost of the Purpose with the Bonds and notes herein authorized. The Town shall not reimburse itself from the proceeds of the Bonds or

notes for any expenditures paid more than sixty days prior to the date hereof, unless specifically authorized by Section 1.150-2 of the Treasury Regulations.

Section 10. This Resolution is adopted subject to a permissive referendum pursuant to Section 35.00 of the Local Finance Law and Section 90.00 of the Town Law. The Town Clerk is hereby authorized and directed within ten (10) days after the adoption of said Resolution, to cause to be published a notice which sets forth the date of the Resolution's adoption and contains an abstract of the Resolution concisely stating its purpose and effect.

Section 11. The law firm of Barclay Damon LLP is hereby appointed as bond counsel in connection with any Bonds and bond anticipation notes issued to finance the Purpose in accordance with their Engagement Letter dated May 7, 2018.

Section 12. When effective, this Resolution shall be published in full by the Town Clerk together with a notice in substantially the form prescribed by Section 81.00 of the Local Finance Law, and such publication shall be in each official newspaper of the Town. The validity of the Bonds or of any bond anticipation notes issued in anticipation of the sale of the Bonds may be contested only if such obligations are authorized for an object or purpose for which the Town is not authorized to expend money, or 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 if said obligations are authorized in violation of the provisions of the Constitution.

Section 13. In connection with the financing of the Purpose, the Town is hereby authorized (but not required) to participate in the Clean Water State Revolving Fund program (the "CWSRF Program") administered by EFC. The Supervisor of the Town is hereby

authorized to execute and deliver such documents as may be necessary to effect the participation of the Town in such CWSRF Program.

Section 14. This Resolution shall take effect upon the earlier of (a) the expiration of the time for filing a petition requesting that the issuance of the Bonds be submitted to referendum or (b) a positive vote upon the referendum authorizing the issuance of the Bonds.

By Orders of the Town Board

Kimberly Carlock, Town Clerk