



Environmental Facilities Corporation

ANDREW M. CUOMO
Governor

David B. Harris
Supervisor
Town of Schodack
265 Schuurman Road
Castleton, NY 12033

Re: New York State Environmental Facilities Corporation (EFC)
Clean Water and Drinking Water State Revolving Funds, 2010C
Principal Balance for Bonds Outstanding as of December 17, 2020: \$3,096,660.00
Final Maturity: 10/1/2029

Dear Mr. Harris:

EFC is undertaking a refinancing initiative on behalf of the municipalities that have funded projects with the proceeds of EFC's State Clean Water and Drinking Water Revolving Funds (SRF), Revenue Bonds, Series 2010C (the "Series 2010C Bonds"). The primary goal of this refinancing is to reduce your interest cost on the SRF financing(s) that were funded with the Series 2010C Bonds. We will do this by refunding the Series 2010C Bonds with new SRF bonds (the "Refunding Bonds") issued at lower current-market interest rates and passing the interest savings net of EFC's financing costs along to you, in the form of reduced debt service bills. The Refunding Bonds will be secured, in part, by an assignment of the debt service payments due on your outstanding bonds. EFC plans to bill you only for the principal due on your outstanding bonds and that amount of interest necessary to pay your pro-rata share of interest due on the Refunding Bonds or other sources of proceeds. The resulting benefit to you will be a reduction in net debt service payable for the remaining life of your bonds. It will not be necessary for you to issue refunding bonds. EFC's practice is to refund bonds only when annual savings will be achieved. As a result, changing market conditions can affect which bonds are refunded, so it is possible that we will not be able to lower your interest costs. If that is the case, we will advise you of this.

EFC intends to issue the Refunding Bonds as "tax exempt obligations." The Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder, and the rulings with respect thereto set forth conditions (collectively, "Federal Tax Requirements") regarding the use of the proceeds of such obligations and the property financed and refinanced therewith and the investment of the proceeds of such obligations and certain other money relating to such obligations that must be satisfied as long as such obligations are outstanding in order for the interest paid and to be paid on the tax exempt obligations to be excluded from gross income for federal income tax purposes.

EFC requests that the Recipient execute the appended Closing Certificate and Supplemental Agreement (the "Certificate"), which includes your confirmation of the basic project and financial information relating to the SRF eligibility of the project and tax-exempt status of EFC's bonds. In delivering the appended Certificate, the Recipient should understand that EFC and its tax counsel will rely on the information provided by the Recipient in its Certificate to satisfy the Federal Tax Requirements and to provide assurance of continuing compliance with the Federal Tax Requirements in order to maintain the tax exempt status of the Refunding Bonds. If the Recipient has any questions regarding the Certificate, or requires guidance regarding its compliance with the Certificate, the Recipient should consult with its bond counsel.

Your action is needed to realize any savings for your municipality. Please execute and return the two enclosed originals of the Closing Certificate and Supplemental Agreement by October 1, 2020 in order to complete the transaction development for a bond pricing scheduled for November 17, 2020. For your convenience, we have enclosed a self-addressed return envelope.

EFC is able to provide you with information relating to the impact of this refunding on your debt service requirements. To the extent that you would like us to provide any information to consultants, we will only do so upon your specific request. Please remember that EFC will net our refunding-related expenses from the savings, and the refunding will not be pursued unless significant annual net savings are achieved. Please plan to separately fund any additional expenses that you might choose to incur.

Your timely execution and return of these certificates by October 1, 2020 is required for EFC to structure the Refunding Bonds as tax exempt obligations and to offer you the associated debt service savings. Please note that the Closing Certificate and Supplemental Agreement will be effective as of the date we deliver the planned Refunding Bonds, which is expected to be on or about December 17, 2020. Therefore, any changes in circumstance that may affect the representations made by the Recipient that occur after October 1, 2020 and before the closing date must be brought to the attention of EFC immediately.

If you have any questions, please contact Brian McClintock at (518) 402-7085.

Sincerely,

A handwritten signature in cursive script that reads "Audra A. Nowosielski".

Audra A. Nowosielski
Director of Public Finance

STATE DRINKING WATER REVOLVING FUND

Town of Schodack, (the “Recipient”)

and

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION

CLOSING CERTIFICATE AND SUPPLEMENTAL AGREEMENT
Regarding New York State Environmental Facilities Corporation State Revolving Funds
Revenue Bonds Series 2010 C
(2010 Master Financing Program)

(LEVERAGED FINANCING PROGRAM)

STATE DRINKING WATER REVOLVING FUND PROJECT NO.: D0-16736, D0-17357

Dated as of November 1, 2020

CLOSING CERTIFICATE AND SUPPLEMENTAL AGREEMENT

I, the undersigned officer of the Recipient, a municipal corporation, public benefit corporation or public authority duly organized and existing under the laws of the State of New York, as set forth on the cover page of this Closing Certificate and Supplemental Agreement (hereinafter, this "Certificate"), HEREBY CERTIFY AND AGREE on behalf of the Recipient as set forth below with respect to the Recipient Bonds, as defined in Exhibit A hereto, delivered by the Recipient to the New York State Environmental Facilities Corporation, a body corporate and politic, constituting a public benefit corporation, established and existing under and by virtue of the laws of the State of New York (the "Corporation") to evidence the obligation of the Recipient to repay the Leveraged Financing (as defined in Exhibit A hereto) originally made available from the proceeds of Prior Corporation Bonds (as defined in Exhibit A).

I. GENERAL MATTERS

1.1. *Authority to Execute Certificate.* I am an officer of the Recipient and am acting for and on behalf of the Recipient in signing this Certificate.

1.2. *Definitions.* Any capitalized terms used but not defined in this Certificate shall have the meanings set forth in the Existing Tax Certificate and the Existing Agreement (each as defined in Exhibit A). On and after the issuance of the New Corporation Bonds, all capitalized terms defined in Exhibit A hereto and used in the Existing Agreement as amended and supplemented hereby shall have the meaning set forth in Exhibit A hereto rather than the meaning set forth in the Existing Agreement.

1.3. *The Refinancing Transaction.* The Recipient acknowledges that the Corporation is issuing its New Corporation Bonds and making the proceeds thereof and may make certain other Corporation moneys available for the purpose, among others, of refinancing all or a portion of the Prior Corporation Bonds. The Recipient further acknowledges that in accordance with the existing Agreement the Corporation may apply principal and interest payments it receives from the Recipient Bonds to the payment of the principal of and interest on the New Corporation Bonds and/or to reimburse itself for such other Corporation moneys, if any. Following the issuance of the New Corporation Bonds, the Corporation will deliver an amended Notice of Terms to the Recipient, reflecting any modifications to the debt service or administrative fee payment dates. In no event shall any debt service payment payable by the Recipient be greater than the amount that would have been due for the same period (maturity) under the Existing Agreement.

1.4. *Completion of Project.* The Recipient hereby represents that it has completed the Project and that the Project (as defined in the Existing Agreement) is in operation.

II. AMENDMENT OF EXISTING AGREEMENT

2.1. *Administrative Fee Payment Dates.* The Recipient shall pay the Corporation's annual administrative fee payable in accordance with Section 4.5(2) of the Existing Agreement, on the dates and in the amounts set forth in the Notice of Terms. The next administrative fee payment due following the Effective Date shall be prorated from the last payment date, based on a 30/360 day count.

III. TAX MATTERS

3.1. *Confirmation of Certain Tax Matters.* The Recipient executed an Arbitrage and Use of Proceeds Certificate in connection with the issuance of the Recipient Bonds (the “Existing Tax Certificate”), a copy of which is attached hereto. In connection with the execution of this Certificate, the Recipient has reviewed the Existing Tax Certificate and confirms that it has complied with and covenants that it will continue to comply with all the procedures, provisions and covenants set forth in the Existing Tax Certificate with respect to the Project, the Recipient Bonds and the Prior Corporation Bonds. The Recipient agrees that it will apply the procedures, provisions and covenants set forth in the Existing Tax Certificate to the New Corporation Bonds and covenants to comply with all such procedures, provisions and covenants to the extent necessary to maintain the exclusion of the interest on the New Corporation Bonds allocable to the Recipient Bonds from federal income taxation, including, without limitation any yield restriction payment or rebate to the United States Treasury Department required under Section 148 of the Code.

3.2. *Use of Prior Bond Proceeds and Grants.* Unless stated otherwise in Schedule A hereto, the Recipient has spent all proceeds and amounts treated as proceeds of the Recipient Bonds (other than amounts periodically deposited in a debt service fund) and all grant moneys received, if any, with respect to the Project, (collectively, the “Moneys”), for the purposes set forth in the Existing Tax Certificate. Any Moneys remaining unspent, as summarized in Schedule A hereto, excluding any amounts held in escrow, if any, for the purpose of refunding Existing Indebtedness (as defined in the Existing Agreement) and amounts required to be held in the Local Debt Service Fund, if any, by the Recipient’s bond documents (collectively, the “Nonrequired Unspent Moneys”), have been or will be applied to the redemption of the Recipient Bonds on or prior to the Effective Date. To the extent that the Nonrequired Unspent Moneys are held by the Corporation or the Depository Bank, the Recipient hereby authorizes the Corporation to direct the application of the Nonrequired Unspent Moneys to the redemption of the Recipient Bonds. To the extent the Nonrequired Unspent Moneys are not held by the Corporation or the Depository Bank, the Recipient shall transfer the Nonrequired Unspent Moneys to the Corporation ten (10) business days prior to the Effective Date.

3.3. *Reimbursement.* The Recipient represents that none of the proceeds of the Recipient Bonds were used to reimburse an expenditure paid by the Recipient before the issue date of the Recipient Bonds and none of the proceeds of the Prior Obligations (as defined in the Existing Tax Certificate), if any, were used to reimburse an expenditure paid by the Recipient before the issue date of the issue of the Prior Obligations used to finance the costs allocated to the expenditure unless:

- a. the Recipient had taken an official intent satisfying the requirements of Section 1.150-2(e) of the Regulations prior to, or within 60 days after, the date of the expenditure; and
- b. reimbursement of the expenditure was made within 18 months of the later of the date of the expenditure or the in-service date of the Project, but in no event later than 3 years after the date of the expenditure, excluding for this purpose “preliminary expenditures”, such as architectural, engineering, surveying, soil testing, and similar costs that are incurred prior to

commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction, but only to the extent the total “preliminary expenditures” reimbursed with proceeds of the Recipient Bonds did not exceed 20% of the sale proceeds of the Recipient Bonds and the total “preliminary expenditures” reimbursed with proceeds of the issue of the Prior Obligations, if any, did not exceed 20% of the sale proceeds of such issue of the Prior Obligations.

3.4. *Limitations on Private Use of the Project.* The Project has been and is owned by the Recipient. The Project has not been, and the Recipient covenants that the Project will not be, sold, leased or otherwise disposed of, in whole or in part, to any person including a state or local governmental unit prior to the last maturity date of the Recipient Bonds. Except to the extent described in the Existing Tax Certificate, the Recipient has not entered and covenants that it will not enter into any contract or arrangement or cause or permit any contract or arrangement to be entered into (within its reasonable control) with persons or entities that are not state or local governmental units if that contract or arrangement would confer on such persons or entities any right to use the Project on a basis different from the right of members of the general public. Except to the extent described in the Existing Tax Certificate, the Recipient has not and covenants that it will not permit any of the proceeds of the Recipient Bonds to be used by any person who is not a state or local governmental unit that is unrelated or disproportionate to the governmental purpose of the Recipient Bonds or to make any private loan(s). The Recipient has notified and hereafter will notify the Corporation of any contract or arrangement entered into with any state or local government unit with respect to the Project and has obtained or will obtain the written approval of the Corporation prior to entering into such contract or arrangement.

3.5. *Periodic Confirmation of Compliance.* At the request of the Corporation, as may be made from time to time, the Recipient agrees to confirm its continuing compliance with the Existing Tax Certificate and this Article III.

II. MISCELLANEOUS

4.1. *Existing Agreement.* The Existing Agreement, except as amended and supplemented hereby, remains in full force and effect. The Recipient Bonds delivered thereunder remain in full force and effect. The Recipient is not in default under the Existing Agreement or the Recipient Bonds, the representations and warranties of the Recipient made in the Existing Agreement, as amended and supplemented hereby, are true and correct as of the Effective Date as if made on and as of the Effective Date and taking into account the amendments and supplements effected by this Certificate, and the Recipient has complied with and performed and will continue to comply with and perform all of its covenants and agreements in the Existing Agreement, as amended and supplemented hereby.

4.2. *Effective Date.* This Certificate shall be effective as of the date of issuance of the New Corporation Bonds.

IN WITNESS WHEREOF, on behalf of the Recipient, I have hereunto set my hand as of the date set forth on the cover page of this Certificate.

Town of Schodack

Name: David B. Harris

Title: Supervisor

Email Address: david.harris@schodack.org

Accepted and Agreed:

NEW YORK STATE ENVIRONMENTAL
FACILITIES CORPORATION

By:

Name: Maureen A. Coleman

Title: Acting President and CEO

EXHIBIT A

Definitions:

Allocable Corporation Bonds means the portion of the New Corporation Bonds specified in writing from time to time by the Corporation to the Recipient as having been secured by payments under, or a source of funding for the purchase of, the Recipient Bonds being redeemed.

Effective Date means the date of issuance of the New Corporation Bonds

Existing Agreement means the Project Finance Agreement entered into between the Recipient and the Corporation dated May 1, 2010 in relation to the Leveraged Financing.

Existing Tax Certificate means the Arbitrage and Use of Proceeds Certificate that the Recipient delivered in connection with the Leveraged Financing dated the date of delivery of the Prior Corporation Bonds.

Leveraged Financing means the financial assistance made available to the Recipient from the proceeds of the Prior Corporation Bonds pursuant to the Existing Agreement.

New Corporation Bonds means any Corporation bonds or notes issued and other Corporation financing made available to refund the Prior Corporation Bonds or any other Corporation bonds or notes hereafter issued to refund such Corporation bonds or notes or refinance the Leveraged Financing.

Notice of Terms means a notice setting forth and confirming the definitive principal, interest and subsidy amounts, maturity dates and interest rates of the Recipient Bonds and certain other terms of the Leveraged Financing and credits, giving effect to the new payment dates for administrative fees.

Prior Corporation Bonds means the series of bonds of the Corporation issued to finance the Leveraged Financing, being Series 2010C.

Recipient Bonds means the bonds or notes issued and delivered by the Recipient to or upon the order of the Corporation, and purchased by the Corporation, in accordance with the Existing Agreement.

Schedule A

Unspent Proceeds and Deemed Proceeds of Prior Bonds
and Project-associated Grant Moneys

TOTAL ESTIMATED UNSPENT*

Fund	\$ Unspent Prior Bond Proceeds	\$ Unspent Grant Moneys
Construction Fund	\$0.00	\$0.00
Debt Service Fund	\$0.00	\$0.00
Escrow Fund	\$0.00	\$0.00
Local Debt Service Reserve Fund	\$0.00	\$0.00
Other Funds (List)	\$0.00	\$0.00

*Actual Unspent Proceeds as determined as of November 1, 2020 will be applied as set forth in Section 3.2