

RESOLUTION –SEWER BOND REDEMPTION

At a meeting of the Rensselaer County Water and Sewer Authority, held at 1600 Seventh Avenue, Troy, New York, on the 19th day of July, 2018, at 3:00 p.m. local time, the following Members of the Authority were:

	PRESENT:	ABSENT:
Robert Pasinella, Jr.	<hr/>	<hr/> X
Kenneth M. Harting	<hr/> X (via phone)	<hr/>
John Mooney	<hr/> X	<hr/>
John Fetscher	<hr/> X	<hr/>

ALSO PRESENT:

John J. Bonesteel, Chief Executive Officer
Jay H. Sherman, Secretary
Robert Hotz, Chief Financial Officer
Philip H. Dixon, Authority Counsel

After the meeting had been duly called to order, the following Resolution was offered by Mr. Mooney, and seconded by Mr. Fetscher, to wit:

WHEREAS, the Rensselaer County Water and Sewer Authority (the “Authority”), on or about June 26, 2008, issued \$6,555,000 in Sewer Service Agreement Revenue Bonds (the “Bonds”) to fund improvements to the Sewer System serving the Town of East Greenbush (the “Town”) (the “Sewer Facilities”); and

WHEREAS, the Sewer Facilities funded by the Bonds have been completed; and

WHEREAS, the Official Statement and other documents relating to the issuance of the Bonds recognized that some or all of the Bonds might be redeemed prior to maturity by the Authority upon receipt by the Authority of payment from the Town; and

WHEREAS, the Town plans to issue bonds in an amount sufficient to defease the remaining Bonds prior to maturity and for the Town to acquire the Authority’s remaining interest in the Water Facilities (the “Financing”); and

WHEREAS, the Authority and the Town wish to enter into an Acquisition Agreement by which the Authority will convey its interest in the Sewer Facilities to the Town in exchange for a payment by the Town sufficient to allow the Authority to defease the Bonds, in addition to transaction costs of the Bond Trustee and the Authority; and

WHEREAS, the conveyance of the Authority’s interest in the Sewer Facilities to the Town is authorized by Article 9, Title 5-A of the Public Authorities Law.

NOW, THEREFORE, it is hereby

RESOLVED, that the Chairman and/or Chief Executive Officer of the Authority are hereby authorized to execute an Acquisition Agreement, in substantially the form annexed hereto, as well as any other documents necessary or desirable to facilitate the transactions contemplated herein, including the execution of instructions to the Bond Trustee to redeem the outstanding Bonds.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Robert Pasinella, Jr.	voting	<u>Absent</u>
Kenneth M. Harting	voting	<u>Yes</u>
John Mooney	voting	<u>Yes</u>
John Fetscher	voting	<u>Yes</u>

The foregoing Resolution was thereupon declared duly adopted.

ACQUISITION AGREEMENT – SEWER FACILITIES

THIS ACQUISITION AGREEMENT – SEWER FACILITIES is dated as of July _____, 2018 (the “Agreement”) and is made by and between the **TOWN OF EAST GREENBUSH**, a municipal corporation with an address for the transaction of business at 225 Columbia Turnpike, Rensselaer, New York 12144 (the “Town”) and the **RENSSELAER COUNTY WATER AND SEWER AUTHORITY**, a New York public benefit corporation with an address for the transaction of business at Rensselaer County Government Center, 1600 7th Avenue, Troy, New York 12180 (the “Authority”) (the Town and the Authority are hereinafter referred to as the “Parties”).

WHEREAS, on June 26, 2008, the Authority issued \$6,555,000 Sewer Service Agreement Revenue Bonds, 2008 (the “Bonds”), at the request of the Town, to: (1) finance the construction of improvements to the Town’s sewer collection and treatment system (the “Sewer Facilities”); (ii) fund a capitalized interest account; (iii) fund the Debt Service Reserve Fund for the Bonds; and (iv) pay the costs of issuance of the Bonds; and

WHEREAS, the Bonds were issued under and are secured by the Authority’s 2008 Sewer Facilities General Revenue Bond Resolution dated as of June 1, 2008 (the “General Resolution”), as supplemented by a First Supplemental Resolution dated as of June 1, 2008 (the “First Supplemental Resolution” and, collectively with the General Resolution, the “Resolutions”); and

WHEREAS, contemporaneously with the issuance of the Bonds, the Authority and the Town entered into a Sewer Service Agreement dated as of June 1, 2008 (the “Service Agreement”), pursuant to which the Town agreed to make quarterly payments in amounts sufficient to pay, when due, all installments of principal of, premium, if any, and interest on the Bonds and all Sewer Facilities Operating Expenses of the Authority (as defined in the Service Agreement); and

WHEREAS, the Authority constructed the Sewer Facilities on land owned by the Town; and

WHEREAS, the Sewer Facilities are operated and maintained for the Authority by the Town pursuant to an operating agreement dated as of June 1, 2008 (the “Operating Agreement”); and

WHEREAS, the Resolutions provide that, on September 1, 2018, or thereafter, the Bonds are subject to optional redemption prior to maturity in whole at a redemption price equal to 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, at the direction of the Authority upon the Authority notifying the Trustee that the Authority has decided to redeem the Bonds with the proceeds of monies received by the Authority from the Town, which monies the Town received pursuant to the issuance of bonds by the Town; and

WHEREAS, the General Resolution provide that the Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the General Resolution if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided in the General Resolution, (2) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or non-callable Investment Securities (as defined in the General Resolution) of the type listed in subparagraphs (a), (b), or (n) of the definition of Investment Securities, the principal of and the interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be (the "Defeasance Amount"), and (3) if said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days and such Bonds are to be redeemed, the Authority shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to give notice to the Registered Owners of such Bonds that the deposit required by (2) above has been made in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal and premium, if applicable, on said Bonds; and

WHEREAS, the Town plans to issue bonds in an amount sufficient to defease or pay off the Bonds prior to maturity and for the Town to acquire the Sewer Facilities from the Authority; and

WHEREAS, the Town desires to authorize the Authority to issue the notice required pursuant to the Resolutions to Wells Fargo Bank, National Association, as trustee under the Resolutions (the "Trustee") so that the Trustee may issue a notice to the bondholders of the election to redeem the Bonds.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is acknowledged, the Town and the Authority agree as follows:

1. Notice. The Parties agree that this Agreement shall constitute notice to the Authority of the Town's intent to cause the special mandatory redemption of the Bonds pursuant to the Resolutions. The Town authorizes the Authority to provide written notice to the Trustee so that the Trustee will undertake a redemption of the Bonds on _____, 2018 (the "Redemption Date").

2. Defeasance Amount. As of the date hereof, the Parties agree that the Defeasance Amount is \$ _____, which amount has been calculated as follows: principal (\$ _____), premium (\$0.00) and interest due and to become due on the Bonds on and prior to the Redemption Date (\$ _____). The Parties acknowledge that the Defeasance Amount will change if there is a change in the Redemption Date and the Parties agree that, upon any change in the Redemption Date, the Defeasance Amount shall be calculated by the Trustee. The Parties further acknowledge and agree that as of the Redemption Date all monies held by the Trustee pursuant to the terms of the Resolutions (the "Available Funds Amount") shall be credited against the Defeasance Amount.

3. Contingency. The Authority's obligation to undertake and complete the redemption of the Bonds shall be subject to receipt by the Trustee of the proceeds from the Town's bond issuance in an amount equal to the Defeasance Amount less the Available Funds Amount.

4. Authority and Trustee Expenses. The Town shall be responsible for the payment of the costs incurred by the Authority and the Trustee in connection with the Redemption and the transfer of the Sewer Facilities.

5. Ownership of Sewer Facilities. On the date of the closing of the Town's bond issuance and subject to the satisfaction of the contingency set forth in Section 3 hereof and the payment of the expenses of the Authority and the Trustee by the Town as required by Section 4 hereof, (1) the Authority shall transfer its ownership interest in the Sewer Facilities to the Town and the Service Agreement and the Operating Agreement shall terminate and be of no further force or effect.

6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7. Applicable Law. This Agreement shall be governed exclusively by the laws of the State of New York.

IN WITNESS WHEREOF, the parties have hereunto executed and delivered this Agreement as of the day and year written above.

TOWN OF EAST GREENBUSH

By: _____
John J. Conway, Town Supervisor

**RENSSELAER COUNTY WATER AND
SEWER AUTHORITY**

By: _____
Robert Pasinella, Jr., Chairman

STATE OF NEW YORK)
)
COUNTY OF RENSSELAER) ss.:

On the ___ day of July, 2018, before me the undersigned, a Notary Public in and for said State, personally appeared JOHN J. CONWAY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
)
COUNTY OF RENSSELAER) ss.:

On the ___ day of July, 2018, before me the undersigned, a Notary Public in and for said State, personally appeared ROBERT PASINELLA, JR., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public