# MONROE COUNTY WATER AUTHORITY
# FINANCE COMMITTEE MEETING
# THURSDAY, APRIL 13, 2023
# 8:15 A.M.

## AGENDA

1. Review & Recommend the EFC Refinancing of Series 2013B Bonds........................................A. Molinari

2. Confirm next Finance Committee Meeting Scheduled for Thursday, October 5, 2023 at 8:00a.m.

STATE DRINKING WATER REVOLVING FUND

Monroe County Water Authority, (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 2013B
(2010 Master Financing Program)

(LEVERAGED FINANCING PROGRAM)

STATE DRINKING WATER REVOLVING FUND PROJECT NO.: D0-16323-70

Dated as of May 18, 2023

# 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to evidence the obligation of the Recipient to repay the Leveraged Financing (as defined in Exhibit A hereto) originally made available from the proceeds of Prior Corporation Bonds (as defined in Exhibit A).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, advanced in connection with the refinancing of the Prior Corporation Bonds. 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 the terms 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.

2.2 *Refunding Fee.* In connection with the issuance of the New Corporation Bonds, the Corporation shall receive a Refunding Fee calculated in accordance with the Corporation's Intended Use Plan in effect at the time of the issuance of the New Corporation Bonds. The Refunding Fee shall be collected by the Corporation from the proceeds of the New Corporation Bonds.

## 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 and hereby represents 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 and within the time limits set forth in the Existing Tax Certificate. Any Moneys remaining unspent, as summarized in Schedule A hereto, excluding any amounts held in escrow 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 for any purpose 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 person that is not a 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.

## IV. 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.

MONROE COUNTY WATER AUTHORITY

Name: Monroe County Water Authority
Title: Executive Director

Email Address: nicholas.noce@mcwa.com

Accepted and Agreed:

NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION

By: ______________________________
Authorized Officer

## 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 July 1, 2013 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 2013B.

**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 May 18, 2023 will be applied as set forth in Section 3.2

**ARBITRAGE AND USE OF PROCEEDS CERTIFICATE**
**MONROE COUNTY WATER AUTHORITY**

I, the undersigned officer of the above-referenced state or local governmental unit of the State of New York (the "**Recipient**"), HEREBY CERTIFY and reasonably expect as set forth below with respect to the issuance on August 1, 2013 (the "**Issue Date**") of the Recipient Bonds, as such term is defined in one or more Project Finance Agreements (collectively, the "**Project Finance Agreement**") executed between the New York State Environmental Facilities Corporation (the "**Corporation**") and the Recipient and dated as of July 1, 2013, in the principal amount set forth in **EXHIBIT B**:

## I. GENERAL

1.1 *Authority to Execute Certificate*. I am an officer of the Recipient charged with the responsibility for the execution, delivery and issuance of the Recipient Bonds and am acting for and on behalf of the Recipient in signing this Arbitrage and Use of Proceeds Certificate (this "**Certificate**").

1.2 *Purpose of Certificate*. This Certificate is made for the purpose of establishing the Recipient's reasonable expectations as of the Issue Date as to the amount and use of proceeds of the Recipient Bonds. It is intended to be and may be relied upon for purposes of Sections 103, 141 and 148 of the Internal Revenue Code of 1986, as amended (the "**Code**") and as a certification described in Section 1.148-2(b)(2) of the Regulations. This Certificate is being executed and delivered as part of the record of proceedings in connection with the issuance of the Recipient Bonds.

1.3 *Effect of Certificate*. The provisions of this Certificate constitute a contractual obligation undertaken by the Recipient in favor of the Corporation in consideration for the Corporation's purchase from the Recipient of the Recipient Bonds (the "**Financing**"). Such contractual obligation includes sewer/water districts which are subordinate entities of the Recipient. The Recipient understands that the Corporation is making (a) a portion of the Financing from the proceeds of its $166,585,000 State Revolving Funds Revenue Bonds, Series 2013 B (2010 Master Financing Program) (the "**Corporation Bonds**") that are also being issued on the Issue Date; and/or (b) the balance of the Financing from available funds held in the state revolving funds for clean water projects and drinking water projects. The Corporation will provide a subsidy credit to the Recipient with respect to a portion of the interest on the Recipient Bonds. The terms of the Financing are set forth in the Project Finance Agreement.

1.4 *Basis of Certificate*. This Certificate sets forth certain presently existing facts, estimates and circumstances which form the basis for the Recipient's expectation as of the Issue Date that the proceeds of the Recipient Bonds will not be used in a manner that would cause them to be classified as arbitrage bonds under Section 148 of the Code or private activity bonds under Section 141 of the Code. To the best of my knowledge and belief, such expectation is reasonable and there are no other facts, estimates or circumstances that would alter it materially.

1.5 *Covenant in Favor of the Corporation.* The Recipient will comply with all the procedures and provisions set forth herein. In addition, the Recipient covenants and agrees that it will not take or authorize any action or permit any action within its reasonable control to be taken, or fail to take any action within its reasonable control, with respect to a portion of the clean water project and/or drinking water project (the "**Project**"), which is more particularly described in Exhibit A attached to the Project Finance Agreement, or the portion of the proceeds of the Corporation Bonds made available to it as part of the Financing, including any amounts treated as proceeds of the Corporation Bonds for any purposes of Section 103 of the Code, which will result in the loss of the exclusion of interest on the Corporation Bonds from gross income for federal income tax purposes under Section 103 of the Code. The Recipient further covenants that it will take such remedial action as the Corporation may direct, which may include immediate redemption of the Recipient Bonds at a price sufficient to redeem or defease to the first redemption date the portion of the Corporation Bonds allocable to the Recipient Bonds, in the event of the Recipient's noncompliance with the foregoing covenant that materially jeopardizes the exclusion of interest on the Corporation Bonds from gross income for federal income tax purposes under Section 103 of the Code.

1.6 *Description of Recipient Bonds.* The dates, maturities, denominations, and rates of interest of the Recipient Bonds are described in Article III of the Project Finance Agreement and the Notice of Terms delivered pursuant thereto.

1.7 *No Composite Issues.* Except as otherwise described in **EXHIBIT A**, no other governmental obligations have been sold less than 15 days prior to, or will be sold less than 15 days after, the sale date of the Recipient Bonds pursuant to the same plan of financing which will be paid from (or have substantially the same claim to be paid from) substantially the same source of funds as the Recipient Bonds.

1.8 *Definitions.* Any capitalized terms used but not defined in this Certificate shall have the meanings set forth in the official statement circulated by the Corporation in connection with the issuance of the Corporation Bonds or in the Tax Regulatory Agreement entered between the Corporation and the Trustee for the Corporation Bonds (the "**Tax Regulatory Agreement**").

1.9 *Additional Tax Covenants.* The Recipient hereby makes the additional tax covenants, if any, set forth in **EXHIBIT A**.

## II. DESCRIPTION OF PROJECT AND EXPECTED USE OF PROCEEDS

2.1 *Receipt of Proceeds of the Recipient Bonds.* Pursuant to the Project Finance Agreement, the Recipient will receive proceeds of the Recipient Bonds in the amount set forth in **EXHIBIT B**. This amount is equal to the principal amount of the Recipient Bonds minus the amounts respectively set forth in **EXHIBIT B** to be used for costs of issuing the Corporation Bonds and for fees charged by the Corporation.

2.2 *Use of Proceeds of Recipient Bonds.*

(a) The Recipient will use proceeds of the Recipient Bonds in the amounts set forth in **EXHIBIT B** for one or more of the following purposes:

(i) finance costs it has incurred or will incur for the construction, reconstruction or installation and acquisition of the portion of the Project that have not previously been financed with the proceeds of any other issue of obligations (such portion of the Project being called the "**New Money Project**" and such proceeds being called the "**New Money Proceeds**");

(ii) call or retire on a date or dates occurring within 90 days from the Issue Date (each, a "**Transfer Date**"), and thereby refund, certain obligations issued previously by the Recipient to finance the construction, reconstruction or installation and acquisition of the portion of the Project and listed on Exhibit B to the Project Finance Agreement (the "**Prior Obligations**") (such portion of the Project being called the "**Refunded Project**" and such proceeds being called the "**Current Refunding Proceeds**"); and

(iii) call or retire on a date or dates occurring more than 90 days from the Issue Date (each also, a "**Transfer Date**"), and thereby refund, certain obligations issued previously by the Recipient to finance the construction, reconstruction or installation and acquisition of the Project and listed on Exhibit B to the Project Finance Agreement (also the "**Prior Obligations**") (such portion of the Project also being called the "**Refunded Project**" and such proceeds being called the "**Advance Refunding Proceeds**").

(b) The Recipient will use the remaining proceeds of the Recipient Bonds in the amounts set forth in **EXHIBIT B**, if any, for one or more of the following purposes: (i) pay local costs of issuing the Recipient Bonds (the "**Local Costs of Issuance**"); (ii) fund a debt service reserve fund (the "**Local Reserve**") with respect to the Recipient Bonds; or (iii) pay the premium for a reserve surety bond fee (the "**Local Surety Fee**").

(c) Any proceeds of the Recipient Bonds remaining unexpended after application to the purposes described in subsection (a) and (b) above (the "**Unexpended Proceeds**") will be applied to such purposes as the Recipient and the Corporation shall agree, including payment of principal of the Recipient Bonds.

(d) The portion of the Recipient Bonds that is allocable to the New Money Proceeds, if any, and related common costs is called the "**New Money Recipient Bonds**". The portion of the Recipient Bonds that is allocable to the Current Refunding Proceeds, if any, and related common costs is called the "**Current Refunding Recipient Bonds**". The portion of the Recipient Bonds that is allocable to the Advance Refunding Proceeds, if any, and related common costs is called the "**Advance Refunding Recipient Bonds**".

2.3 *Use of Recipient's Own Funds.* The Recipient will also use its own funds in the amount set forth in **EXHIBIT B**, if any, in connection with refunding of the Prior Obligations, the payment of the Local Costs of Issuance, funding of the Local Reserve or payment of the Local Surety Fee.

2.4 *Use of Proceeds of the Prior Obligations.* None of the Prior Obligations are "private activity bonds" as defined by Section 141(a) of the Code.

2.5 *Transferred Proceeds.*

(a) Unspent proceeds of any issue of the Prior Obligations, the principal of which is paid with Current Refunding Proceeds of the Recipient Bonds, will be invested commencing after the Issue Date or the expiration of the temporary period applicable to the Prior Obligations, whichever is later, at a yield that does not exceed the yield on the applicable issue of the Prior Obligations by more than 0.125 percent unless yield reduction payments are made. Proceeds of any issue of the Prior Obligations that remain unspent on any date on which principal of such Prior Obligations is paid with Current Refunding Proceeds of the Recipient Bonds, to the extent required under the applicable Regulations, will be treated thereafter as Transferred Proceeds of the Recipient Bonds and invested commencing after the expiration of the temporary period applicable to the Prior Obligations at a yield that does not exceed the yield on the Corporation Bonds described in Section 3.9 below by more than 0.125 percent unless yield reduction payments are made.

(b) Unspent proceeds of any issue of the Prior Obligations, the principal of which is paid with Advance Refunding Proceeds of the Recipient Bonds, will be invested commencing after the Issue Date at a yield that does not exceed the yield on the applicable issue of the Prior Obligations by more than 0.001 percent or 0.125 percent, as applicable. Proceeds of any issue of the Prior Obligations that remain unspent on any applicable Transfer Date, to the extent required under the applicable Regulations, will be treated thereafter as Transferred Proceeds of the Recipient Bonds and invested commencing on and after the applicable Transfer Date at a yield that does not exceed the yield on the Corporation Bonds described in Section 3.9 below by more than 0.001 percent or 0.125 percent, as applicable.

2.6 *Limitations on Private Use of the Project.*

(a) The Project is and will be owned by the Recipient. It will not be sold or otherwise disposed of, in whole or in part, to any person who is not a State or local governmental unit prior to the last maturity date of the Recipient Bonds. The Project is not and will not be leased to any person or entity that is not a State or local governmental unit. The Recipient has not and will not enter any contract or arrangement or cause or permit any contract or arrangement to be entered (to the extent of 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. The contracts or arrangements contemplated by the preceding sentence include but are not limited to management contracts, take or pay contracts or put or pay contracts, and capacity guarantee contracts. The Recipient will not in any event permit any of the proceeds of the Recipient Bonds to be used directly or indirectly in any trade or business carried on by any person or in any activity carried on by any person other than a natural person (a "**Private Use**"). With respect to the foregoing, the Recipient will comply with the provisions of this Section. Use by or on behalf of the State of New York or any of its agencies, instrumentalities or subdivisions or by any local governmental unit and use as a member of the general public will be disregarded in determining whether a Private Use exists. Use under an arrangement that conveys priority rights or other preferential benefits is generally not use on the same basis as the general public. Arrangements providing for use that is available to the general public at no charge or on the basis of rates that are generally applicable and uniformly applied do not convey priority rights or other preferential benefits. For this purpose, rates may be treated as generally applicable and uniformly applied even if (i) different rates apply to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable; or (ii) a specially negotiated rate arrangement is entered into, but only if the user is prohibited by federal law from paying the generally applicable rates, and the rates established are as comparable as reasonably possible to the generally applicable rates. An arrangement that does not otherwise convey priority rights or other preferential benefits is not treated as general public use if the term of the use under the arrangement, including all renewal options, is greater than 200 days. For this purpose, a right of first refusal to renew use under the arrangement is not treated as a renewal option if (i) the compensation for the use under the arrangement is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal; and (ii) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business. The Recipient will not permit any of the proceeds of the Recipient Bonds to be used for any Private Use that is unrelated or disproportionate to the governmental purpose of the Recipient Bonds or to make any private loan(s).

(b) The Recipient hereby makes the additional representations and tax covenants relating to private use of the Project, if any, set forth in **EXHIBIT A.**

(c) The Recipient covenants to promptly (i) confirm its compliance with the tax related provisions hereof and the Project Finance Agreement whenever the Corporation requests such confirmation, and (ii) respond to any post-issuance tax compliance surveys or questionnaires the Corporation may send periodically or from time-to-time to the Recipient.

2.7 *No Federal Guarantee.* No portion of the proceeds of the Recipient Bonds will be invested, directly or indirectly, in federally insured deposits, accounts, or obligations other than investments of unexpended proceeds of the Recipient Bonds for the initial temporary periods described in Section 3.4, amounts invested in the *bona fide* debt service fund described in Section 3.12 or investments in United States Treasury Obligations.

## III. ARBITRAGE AND REBATE

3.1 *Deposit of Proceeds.* The New Money Proceeds, if any, will be deposited to the Construction Fund established by the Recipient with the Depository Bank and, together with the earnings thereon, will be used as set forth in Section 3.2 for the costs of construction, reconstruction or installation and acquisition of the Project. The Current Refunding Proceeds, if any, will be deposited to the BAN Payment Fund established by the Corporation with the Depository Bank and used to refund the Prior Obligations. The Advance Refunding Proceeds will be deposited to the Escrow Fund established by the Recipient with the Depository Bank and used to refund the Prior Obligations. The proceeds of the Recipient Bonds to be used to pay the Local Costs of Issuance, if any, and the Surety Fee, if any, will be deposited to the Construction Fund established by the Recipient with the Depository Bank. The proceeds of the Recipient Bonds to be used to fund the Local Reserve will be deposited to the Local Reserve.

3.2 *Expenditure for Capital Projects.* The Recipient expects that all of the New Money Proceeds and investment earnings thereon will be applied to pay capital expenditures plus "related working capital expenditures" of the Project. The Recipient applied the proceeds of the Prior Obligations and investment earnings thereon to pay capital expenditures plus "related working capital expenditures" of the Project. "Related working capital expenditures" are costs that do not exceed five percent of the sale proceeds of the New Money Bonds or any issue of the Prior Obligations allocable to the financing of the Project, as the case may be, and that are directly related to capital expenditures financed by the issue. "Proceeds" means sale proceeds, investment proceeds and transferred proceeds.

3.3 *General Yield Restriction Rule.* The Recipient acknowledges that the Gross Proceeds of the Recipient Bonds may not be invested at yields that are materially higher, as that term is defined in Section 1.148-2(d) of the Regulations, than the yield on the Corporation Bonds except as set forth in this Article.

3.4 *Initial Temporary Period for the Recipient Bonds and Prior Obligations.*

(a) Within six months from the Issue Date, the Recipient will have entered into a substantial binding obligation to an unrelated third party to spend at least five percent of the New Money Proceeds for costs of the Project. The Recipient expects to spend at least 85 percent of the New Money Proceeds within three years from the Issue Date. The construction, reconstruction or installation and acquisition of the Project will proceed with due diligence to completion. The expenditure of the New Money Proceeds will proceed with due diligence. Based on the foregoing, the New Money Proceeds may be invested without yield restrictions for an initial temporary period of three years beginning on the Issue Date.

(b) The Current Refunding Proceeds of the Recipient Bonds may be invested free of yield restrictions for an initial temporary period of 90 days after the Issue Date until used to refund the Prior Obligations.

(c) The Advance Refunding Proceeds of the Recipient Bonds may be invested free of yield restrictions for an initial temporary period of 30 days after the Issue Date; *however,* the right to invest for such temporary period without yield restriction is waived.

(d) The proceeds of the Recipient Bonds used for the Local Costs of Issuance may be invested free of yield restriction for an initial temporary period of six months after the Issue Date.

3.5 *No Hedge Bonds.* (a) As of the issue date of each issue of the Prior Obligations, the Recipient certified that (i) it reasonably expected that at least 85 percent of the spendable proceeds of each issue of the Prior Obligations would be used to carry out the governmental purposes of such issue of the Prior Obligations within three years of the issue date thereof and (ii) not more than 50 percent of the spendable proceeds of such issue of the Prior Obligations would be invested in investment property, which would be acquired with the amounts received as a result of investing original proceeds of such issue of Prior Obligations and would have a substantially guaranteed yield for four years or more.

(b) The Recipient certifies that (i) it reasonably expects that at least 85 percent of the New Money Proceeds will be used to carry out the governmental purposes of such proceeds within three years of the Issue Date and (ii) not more than 50 percent of the New Money Proceeds will be invested in investment property, which will be acquired with the amounts received as a result of investing such proceeds and will have a substantially guaranteed yield for four years or more.

3.6 *No Reserve Allocation.* The Corporation will not establish any debt service reserve fund for the Corporation Bonds and will not make any reserve allocation for the Recipient Bonds.

3.7 *The Local Reserve.* If a Local Reserve has been established for the Recipient Bonds, the amount held therein and allocated to the Recipient Bonds may be invested without yield restriction as a reasonably required reserve (the "**Reasonably Required Reserve**") if such amount does not exceed the least of the following amounts: (i) the amount equal to ten percent <u>times</u> the stated principal amount of the Recipient Bonds, (ii) the maximum amount of principal and interest payable on the Recipient Bonds in any year and (iii) the amount equal to 125% <u>times</u> the average annual debt service on the Recipient Bonds. Any amount held in the Local Reserve and allocable to the Recipient Bonds which exceeds the Reasonably Required Reserve must be invested at a yield that does not exceed the yield on the Corporation Bonds.

3.8 *Authorization to Invest Proceeds of the Recipient Bonds.*

(a) The Recipient hereby authorizes the Corporation to direct the investment of the proceeds of the Recipient Bonds held on its behalf by the Depository Bank in the Construction Fund and the BAN Payment Fund until those proceeds are disbursed either to pay cost of the Project, the Local Costs of Issuance, the Surety Fee, if any, or other costs and fees or to refund the Prior Obligations. The Recipient further authorizes the Corporation to invest the proceeds of the Recipient Bonds in accordance with applicable arbitrage limitations set forth in the Code and the Regulations (including the rebate requirement described in Section 3.10) as provided in the Tax Regulatory Agreement. The Corporation has represented in the Tax Regulatory Agreement that it will invest the proceeds of the Recipient Bonds held in the Construction Fund and the BAN Payment Fund at a yield that does not exceed the yield on the Corporation Bonds except during the initial temporary periods specified in Section 3.4 above when such proceeds may be invested free of yield restriction.

(b) The Recipient will invest the proceeds of the Recipient Bonds held on its behalf by the Depository Bank in the Escrow Fund until those proceeds are disbursed to refund the Prior Obligations. The Recipient agrees to direct the investment of the proceeds of the Recipient Bonds in accordance with applicable arbitrage limitations set forth in the Code and the Regulations as provided in the Tax Regulatory Agreement. The Recipient agrees that it will invest the proceeds of the Recipient Bonds held in the Escrow Fund at a yield that does not exceed the yield on the Corporation Bonds.

3.9 *Definition of Yield.* For purposes of the yield restrictions imposed with respect to the investment of proceeds of the Recipient Bonds that are referred to herein, the yield on the Corporation Bonds shall mean the yield on the Corporation Bonds calculated as of their Issue Date in the manner described in the Tax Regulatory Agreement.

3.10 *Rebate Requirement and Rebate Spend-down Exceptions*. The Recipient acknowledges that the Recipient Bonds are subject to the requirements imposed by Section 148(f) of the Code and that earnings on the Gross Proceeds of the Recipient Bonds in excess of the yield on the Corporation Bonds must be rebated to the United State Treasury Department (the "**Rebate Requirement**") unless an exception to the Rebate Requirement is qualified for as described below.

(a) *Six-Month Spending Exception to Rebate*. The New Money Proceeds, if any, the Current Refunding Proceeds, if any, and the Advance Refunding Proceeds, if any, of the Recipient Bonds other than proceeds held in a Local Reserve Fund, if any (the "**Net Proceeds**") are not subject to the Rebate Requirement *if* 100 percent of the Net Proceeds are spent within six months after the Issue Date; *provided, however*, that such exception to the Rebate Requirement is nevertheless met with respect to the Net Proceeds used to pay costs of the New Money Project *if* at least 95 percent of such Net Proceeds is spent within six months after the Issue Date and the remaining amount of such Net Proceeds is retained for reasonable business purposes relating to the New Money Project and spent within one year after the Issue Date.

(b) *Eighteen-Month Spending Exception to Rebate*. The New Money Proceeds, if any, of the Recipient Bonds other than proceeds held in a Local Reserve Fund, if any (the "**New Money Net Proceeds**") are not subject to the Rebate Requirement *if* the percentage of New Money Net Proceeds are spent as follows: at least 15 percent within six months after the Issue Date, at least 60 percent within one year after the Issue Date and 100 percent within 18 months after the Issue Date; *provided, however*, that such exception to the Rebate Requirement is nevertheless met *if* at least 95 percent of the New Money Net Proceeds is spent within 18 months after the Issue Date and the remaining amount of the New Money Net Proceeds is retained for reasonable business purposes relating to the New Money Project and spent within 30 months after the Issue Date; *provided further, however*, that such exception to the Rebate Requirement is nevertheless met *if* the Recipient exercises due diligence to complete the New Money Project and the amount of the New Money Net Proceeds remaining unspent at 18 months after the Issue Date does not exceed the lesser of three percent of such proceeds or the Recipient's proportionate share of the $250,000 *de minimis* amount permitted by § 1.148-7(b)(4) of the Regulations.

(c) *Two-Year Spending Exception to Rebate*. The New Money Net Proceeds, if any, are not subject to the Rebate Requirement *if* at least 75% of the New Money Net Proceeds are used for construction (and not acquisition) of the New Money Project as certified by the Recipient in the Tax Questionnaire it submitted to the Corporation and as indicated in **EXHIBIT B** and *if* the percentage of the New Money Net Proceeds are spent as follows: at least 10 percent within six months after the Issue Date, at least 45 percent within one year after the Issue Date, at least 75 percent within 18 months after the Issue Date and 100 percent within two years after the Issue Date; *provided, however*, that such exception to the Rebate Requirement is nevertheless met *if* at least 95% of the New Money Net Proceeds is spent within two years after the Issue Date and the remaining amount of the New Money Net Proceeds is retained for reasonable business purposes relating to the New Money Project and spent within three years after the Issue Date; *provided further, however*, that such exception to the Rebate Requirement is nevertheless met *if* the Recipient exercises due diligence to complete the New Money Project and the amount of the New Money Net Proceeds remaining unspent at two years after the Issue Date does not exceed the lesser of three percent of such proceeds or the Recipient's proportionate share of the $250,000 *de minimis* amount permitted by § 1.148-7(b)(4) of the Regulations..

3.11 *Authorization to Calculate and Pay Rebate Liability.* The Recipient covenants to promptly respond to requests that the Corporation may make, including but not limited to any post-issuance tax compliance surveys or questionnaires, in its efforts to comply with the Rebate Requirement. To comply with the Rebate Requirement, the Corporation will periodically rebate to the Federal government certain excess earnings received from the investment of the Gross Proceeds of the Corporation Bonds in Nonpurpose Investments from the sources described and in the amounts calculated as set forth in the Tax Regulatory Agreement. The Recipient authorizes and directs the Corporation to deposit any positive Rebate Amount or any Yield Reduction Payment calculated by the Corporation to the Rebate Fund established under the Master Trust Agreement. The amounts deposited to the Rebate Fund as specified in the preceding sentence will be used as provided in the Financing Indenture to pay the amounts required to be made to the Federal government with respect to the Recipient Bonds. The Recipient has agreed in the Project Finance Agreement to make up any deficiencies between (i) the sum of any Rebate Amount or Yield Reduction Payment required to be deposited to the Rebate Fund and (ii) the investment earnings available to make such payments. In determining the Rebate Amount or Yield Reduction Payment:

(a) Except as set forth in (c) below, all Gross Proceeds of the Recipient Bonds held in any fund or account will be subject to the Rebate Requirement.

(b) Earnings received from investments attributable to Transferred Proceeds, if any, will be subject to the Rebate Requirement.

(c) Earnings from investments held in any *bona fide* debt service fund established and maintained as described in Section 3.12 to be excepted from the Rebate Requirement because the Recipient Bonds are governmental obligations issued at a fixed rate of interest with an average maturity of at least five years.

3.12 *Payment of Debt Service.* The Recipient expects to pay debt service on the Recipient Bonds from fees, charges or other available revenues, and from interest subsidies provided by the Corporation pursuant to the Project Finance Agreement. Any amounts accumulated to pay debt service on the Recipient Bonds (whether or not deposited to a fund established by the Recipient) and any amounts deposited to any fund will, in either case, be disbursed to pay debt service on the Recipient Bonds within 13 months of the initial date of accumulation or deposit. Any such fund or accumulation for the payment of debt service on the Recipient Bonds will be used to achieve a matching between revenues and debt service. Any fund or accumulation described in the two preceding sentences will constitute a *bona fide* debt service fund for the Recipient Bonds and will be depleted once a year except for a reasonable carryover amount not exceeding earnings on the fund or one-twelfth of the debt service on the Recipient Bonds in either case for the immediately preceding Bond Year. Amounts received from investing amounts accumulated or deposited in the *bona fide* debt service fund will be spent within one year of the initial date of receipt.

3.13 *No Other Funds Established.* Except for the *bona fide* debt service fund described in Section 3.12 and the Local Reserve described in Section 3.7, the Recipient will not create or establish any sinking fund or other fund which may be used to pay debt service on the Recipient Bonds. If, contrary to the expectation of the Recipient set forth in the preceding sentence, any sinking fund or other fund comes into being before the Recipient Bonds have been retired which may be used to pay debt service on (and which would therefore be treated as gross proceeds of) the Recipient Bonds, the Recipient will invest such sinking fund proceeds of the Recipient Bonds at a yield that does not exceed the yield on the Corporation Bonds as the term is defined in Section 3.9 above.

3.14 *Reimbursements.*

(a) None of the New Money Proceeds will be used to reimburse any expenditure paid by the Recipient before the Issue Date unless, within 60 days after the costs were incurred the Recipient had adopted an official intent satisfying the requirements of Section 1.150-2 of the Regulations and all reimbursement allocations of the New Money Proceeds will made within 18 months of the later of the placed-in-service date of the Project or the date of the expenditure (but in no event more than three years after the original expenditure was paid).

(b) None of the proceeds of any Prior Obligation were used to reimburse any expenditure paid by the Recipient before the respective issue date of each issue of the Prior Obligations unless, within 60 days after the costs were incurred the Recipient had adopted an official intent satisfying the requirements of Section 1.150-2 of the Regulations and all reimbursement allocations of proceeds of any Prior Obligation were made within 18 months of the later of the placed-in-service date of the Project or the date of the expenditure (but in no event more than three years after the original expenditure was paid).

3.15 *No Replacement Proceeds.* The average weighted maturity of the Recipient Bonds determined in accordance with Section 147 of the Code does not exceed 120 percent of the remaining weighted average economic life of the Project. Thus, no "replacement proceeds" (as defined in Section 1.148-1(c) of the Regulations) are expected to be created as a result of issuing the Recipient Bonds.

3.16 *Opinion of Bond Counsel.* Notwithstanding any other provision herein, the covenants and obligations contained herein may be and shall be deemed modified to the extent the Recipient secures an opinion of the Corporation's bond counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Corporation Bonds from gross income for purposes of federal income taxation.

[SIGNATURE PAGE IS NEXT]

IN WITNESS WHEREOF, I have hereunto set my hand as of the Issue Date as defined herein.

MONROE COUNTY WATER AUTHORITY

By: Nicholas Noce
Nicholas Noce
Executive Director

**EXHIBIT A**

No additional covenants.

# EXHIBIT B

SOURCES AND USES OF FUNDS

New York State Environmental Facilities Corporation 2013

Monroe County Water Authority

DW # 16323-70
DW # Local Debt Service Reserve Fund

| | (Bonds) | (Equity) | Total |
|---|---|---|---|
| Bond Proceeds: | | | |
| Par Amount | 12,463,262.00 | 5,662,079.00 | 18,125,341.00 |
| | 12,463,262.00 | 5,662,079.00 | 18,125,341.00 |

| | (Bonds) | (Equity) | Total |
|---|---|---|---|
| Project Fund Deposits: | | | |
| SRF Short-Term Market-Rate Refinancing | 7,130,742.00 | 3,565,371.00 | 10,696,113.00 |
| SRF Short-Term ARRA Loan Refinancing | 3,987,258.00 | 1,993,629.00 | 5,980,887.00 |
| Local Debt Service Reserve Fund Deposit | 1,108,227.00 | 0.00 | 1,108,227.00 |
| | 11,118,000.00 | 5,559,000.00 | 17,785,227.00 |
| Delivery Date Expenses: | | | |
| Underwriter's Discount | 63,796.00 | 0.00 | 63,796.00 |
| Direct Expense | 21,406.00 | 37,060.00 | 58,466.00 |
| State Bond Issuance Charge | 58,110.00 | 25,253.00 | 83,363.00 |
| Program Administrative Fee | 89,659.00 | 44,830.00 | 134,489.00 |
| | 0.00 | 0.00 | 340,114.00 |
| | 12,463,262.00 | 5,662,079.00 | 18,125,341.00 |

Nicholas Noce
Executive Director
Monroe County Water Authority
nicholas.noce@mcwa.com

Re: New York State Environmental Facilities Corporation (EFC)
Clean Water and Drinking Water State Revolving Funds, 2013B
**Project Number(s): D0-16323-70**

Dear Executive Director Nicholas Noce:

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 2013B (the "Series 2013B Bonds"). The primary goal of this refinancing is to reduce your interest cost on the SRF financing(s) that were funded with the Series 2013B Bonds. We will do this by refunding the Series 2013B 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 a signed copy of the Closing Certificate and Supplemental Agreement by March 15, 2023 in order to complete the transaction development for a bond pricing scheduled for April 25, 2023. The completed document should be scanned and emailed to Lisa.VanderBogart@efc.ny.gov.**

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 March 15, 2023 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 May 18, 2023. Therefore, any changes in circumstance that may affect the representations made by the Recipient that occur after March 15, 2023 and before the closing date must be brought to the attention of EFC immediately.

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

Sincerely,

Brian McClintock
Director of Public Finance

## NOTICE OF TERMS - NET DEBT SERVICE SCHEDULE (1)

### NYS EFC Series 2013B
### Monroe County Water Authority - Aggregate
### Loan ID 4116

**Schedule A**

| Date | Principal | Coupon | Interest | Gross Debt Service | Less: Subsidy Credit (1) | Plus: Annual Administrative Fee (2) | Semi-Annual Net Debt Service | Annual Net Debt Service, Fiscal Year |
|---|---|---|---|---|---|---|---|---|
| 11/01/2013 | 600,000.00 | 0.2800% | 184,238.20 | 784,238.20 | 45,377.02 | | 738,861.18 | 738,861.18 |
| 05/01/2014 | | | 321,369.66 | 321,369.66 | 79,032.97 | | 242,336.69 | |
| 11/01/2014 | 465,000.00 | 0.3000% | 321,369.66 | 786,369.66 | 79,032.97 | 18,420.00 | 725,756.69 | 968,093.38 |
| 05/01/2015 | | | 320,672.16 | 320,672.16 | 78,667.97 | | 242,004.19 | |
| 11/01/2015 | 465,341.00 | 0.6700% | 320,672.16 | 786,013.16 | 78,667.97 | 18,766.00 | 726,111.19 | 968,115.38 |
| 05/01/2016 | | | 319,113.28 | 319,113.28 | 77,845.86 | | 241,267.42 | |
| 11/01/2016 | 470,000.00 | 1.0800% | 319,113.28 | 789,113.28 | 77,845.86 | 18,253.00 | 729,520.42 | 970,787.84 |
| 05/01/2017 | | | 316,575.28 | 316,575.28 | 76,504.86 | | 240,070.42 | |
| 11/01/2017 | 475,000.00 | 1.4400% | 316,575.28 | 791,575.28 | 76,504.86 | 17,737.00 | 732,807.42 | 972,877.84 |
| 05/01/2018 | | | 313,155.28 | 313,155.28 | 74,704.86 | | 238,450.42 | |
| 11/01/2018 | 480,000.00 | 1.7900% | 313,155.28 | 793,155.28 | 74,704.86 | 17,214.00 | 735,664.42 | 974,114.84 |
| 05/01/2019 | | | 308,859.28 | 308,859.28 | 72,437.52 | | 236,421.76 | |
| 11/01/2019 | 480,000.00 | 2.0900% | 308,859.28 | 788,859.28 | 72,437.52 | 16,686.00 | 733,107.76 | 969,529.52 |
| 05/01/2020 | | | 303,843.28 | 303,843.28 | 69,755.35 | | 234,087.93 | |
| 11/01/2020 | 485,000.00 | 2.3900% | 303,843.28 | 788,843.28 | 69,755.35 | 16,158.00 | 735,245.93 | 969,333.86 |
| 05/01/2021 | | | 298,047.53 | 298,047.53 | 66,628.43 | | 231,419.10 | |
| 11/01/2021 | 490,000.00 | 2.6900% | 298,047.53 | 788,047.53 | 66,628.43 | 15,625.00 | 737,044.10 | 968,463.20 |
| 05/01/2022 | | | 291,457.03 | 291,457.03 | 63,064.18 | | 228,392.85 | |
| 11/01/2022 | 500,000.00 | 2.9600% | 291,457.03 | 791,457.03 | 63,064.18 | 15,085.00 | 743,477.85 | 971,870.70 |
| 05/01/2023 | | | 284,057.03 | 284,057.03 | 59,068.18 | | 224,988.85 | |
| 11/01/2023 | 505,000.00 | 3.1530% | 284,057.03 | 789,057.03 | 59,068.18 | 14,535.00 | 744,523.85 | 969,512.70 |
| 05/01/2024 | | | 276,095.70 | 276,095.70 | 54,706.52 | | 221,389.18 | |
| 11/01/2024 | 515,000.00 | 3.4340% | 276,095.70 | 791,095.70 | 54,706.52 | 13,979.00 | 750,368.18 | 971,757.36 |
| 05/01/2025 | | | 267,253.15 | 267,253.15 | 49,870.30 | | 217,382.85 | |
| 11/01/2025 | 520,000.00 | 3.5200% | 267,253.15 | 787,253.15 | 49,870.30 | 13,413.00 | 750,795.85 | 968,178.70 |
| 05/01/2026 | | | 258,101.15 | 258,101.15 | 44,795.62 | | 213,305.53 | |
| 11/01/2026 | 530,000.00 | 3.6400% | 258,101.15 | 788,101.15 | 44,795.62 | 12,841.00 | 756,146.53 | 969,452.06 |
| 05/01/2027 | | | 248,455.15 | 248,455.15 | 39,396.28 | | 209,058.87 | |
| 11/01/2027 | 540,000.00 | 3.7700% | 248,455.15 | 788,455.15 | 39,396.28 | 12,258.00 | 761,316.87 | 970,375.74 |
| 05/01/2028 | | | 238,276.16 | 238,276.16 | 33,678.44 | | 204,597.72 | |
| 11/01/2028 | 550,000.00 | 3.8700% | 238,276.16 | 788,276.16 | 33,678.44 | 11,664.00 | 766,261.72 | 970,859.44 |
| 05/01/2029 | | | 227,633.65 | 227,633.65 | 27,647.68 | | 199,985.97 | |
| 11/01/2029 | 560,000.00 | 4.0200% | 227,633.65 | 787,633.65 | 27,647.68 | 11,059.00 | 771,044.97 | 971,030.94 |
| 05/01/2030 | | | 216,377.65 | 216,377.65 | 21,182.17 | | 195,195.48 | |
| 11/01/2030 | 565,000.00 | 4.0700% | 216,377.65 | 781,377.65 | 21,182.17 | 10,443.00 | 770,638.48 | 965,833.96 |
| 05/01/2031 | | | 204,879.90 | 204,879.90 | 14,466.67 | | 190,413.23 | |
| 11/01/2031 | 580,000.00 | 4.1450% | 204,879.90 | 784,879.90 | 14,466.67 | 9,821.00 | 780,234.23 | 970,647.46 |
| 05/01/2032 | | | 192,859.40 | 192,859.40 | 7,420.17 | | 185,439.23 | |
| 11/01/2032 | 590,000.00 | 4.2200% | 192,859.40 | 782,859.40 | 7,420.17 | 9,183.00 | 784,622.23 | 970,061.46 |
| 05/01/2033 | | | 180,410.41 | 180,410.41 | | | 180,410.41 | |
| 11/01/2033 | 615,000.00 | 4.6130% | 180,410.41 | 795,410.41 | | 8,535.00 | 803,945.41 | 984,355.82 |
| 05/01/2034 | | | 166,225.43 | 166,225.43 | | | 166,225.43 | |
| 11/01/2034 | 650,000.00 | 4.6130% | 166,225.43 | 816,225.43 | | 7,859.00 | 824,084.43 | 990,309.86 |
| 05/01/2035 | | | 151,233.18 | 151,233.18 | | | 151,233.18 | |
| 11/01/2035 | 680,000.00 | 4.6130% | 151,233.18 | 831,233.18 | | 7,144.00 | 838,377.18 | 989,610.36 |
| 05/01/2036 | | | 135,548.98 | 135,548.98 | | | 135,548.98 | |
| 11/01/2036 | 715,000.00 | 4.6130% | 135,548.98 | 850,548.98 | | 6,396.00 | 856,944.98 | 992,493.96 |
| 05/01/2037 | | | 119,057.51 | 119,057.51 | | | 119,057.51 | |
| 11/01/2037 | 750,000.00 | 4.6130% | 119,057.51 | 869,057.51 | | 5,609.00 | 874,666.51 | 993,724.02 |
| 05/01/2038 | | | 101,758.76 | 101,758.76 | | | 101,758.76 | |
| 11/01/2038 | 785,000.00 | 4.6130% | 101,758.76 | 886,758.76 | | 4,784.00 | 891,542.76 | 993,301.52 |
| 05/01/2039 | | | 83,652.73 | 83,652.73 | | | 83,652.73 | |
| 11/01/2039 | 825,000.00 | 4.6930% | 83,652.73 | 908,652.73 | | 3,921.00 | 912,573.73 | 996,226.46 |
| 05/01/2040 | | | 64,294.10 | 64,294.10 | | | 64,294.10 | |
| 11/01/2040 | 865,000.00 | 4.6930% | 64,294.10 | 929,294.10 | | 3,014.00 | 932,308.10 | 996,602.20 |
| 05/01/2041 | | | 43,996.88 | 43,996.88 | | | 43,996.88 | |
| 11/01/2041 | 915,000.00 | 4.6930% | 43,996.88 | 958,996.88 | | 2,062.00 | 961,058.88 | 1,005,055.76 |
| 05/01/2042 | | | 22,526.41 | 22,526.41 | | | 22,526.41 | |
| 11/01/2042 | 960,000.00 | 4.6930% | 22,526.41 | 982,526.41 | | 1,055.00 | 983,581.41 | 1,006,107.82 |
| | 18,125,341.00 | | 12,735,810.42 | 30,861,151.42 | 2,067,125.08 | 323,519.00 | 29,117,545.34 | 29,117,545.34 |

AMOUNT PAYABLE PURSUANT TO PARAGRAPH 4 OF NOTICE OF TERMS: 340,114.00

Notes:
(1) Application of Subsidy Credit is pursuant to Sections 3.1 (C) and 3.1 (D) of the Project Finance Agreement. Failure of Recipient to fulfill the terms of the Project Finance Agreement may result in reduction or elimination of the Subsidy Credit.
(2) The Annual Administrative Fee is due annually on July 15 commencing July 15, 2014.
The Administrative Fee rate is pursuant to the Project Finance Agreement.
Aggregate amounts may differ from totals due to rounding.