



CLIFTON PARK WATER AUTHORITY

BOARD MEETING MINUTES

AUGUST 9, 2016

Those present at the Clifton Park Water Authority board meeting were: Mr. Helmut Gerstenberger, Chairman; Mr. George Peterson, Treasurer; and Mr. William Butler, Board Member. Absent: Mr. John Ryan, Vice Chairman and Mr. Peter Taubkin, Secretary. Also present: Mr. Donald Austin Jr., Administrator; Mr. Neil Weiner, Attorney; and Mr. Walter Schlesier Jr., Superintendent.

Mr. Gerstenberger called the meeting to order at 7:05pm.

PRIVILEGE OF THE FLOOR

Pam Allers of Jaeger & Flynn Associates, Inc. presented the board with various health insurance options available that are similar to the CDPHP plan currently used. The CDPHP plan is no longer offered and most of the new plans offered are a high deductible with a copay once the deductible is met. She explained the terminology of the plans and reviewed the different options available. The Board will continue the health insurance discussion later in the meeting. Ms. Allers left the meeting and told them to call her if they had any further questions.

OLD BUSINESS

TANK INSPECTIONS AT KNOLLTOP, MILLER AND BLUE SPRUCE

Mr. Austin reported that the tank inspections were completed last week. He is waiting on the report and will forward a copy to the board once he receives it.

REXFORD SUBMETERING

A **motion** was made by Mr. Peterson to amend the capital budget for Rexford meters; seconded by Mr. Gerstenberger.

RESOLUTION #18, 2016 – AMENDING RESOLUTION #20, 2015 AMENDING CAPITAL BUDGET FOR REXFORD METERS

WHEREAS, the Clifton Park Water Authority wishes to install three (3) ultrasonic flow sensors on water mains in Rexford for the purpose of locating leaks within the Rexford water system, and

WHEREAS, bids were received for the sensors and one (1) portable flow meter, and

WHEREAS, the Clifton Park Water Authority Board of Directors passed Resolution #20, 2015 adopting the Capital Budget for 2016, now therefore be it

RESOLVED, that the Clifton Park Water Authority hereby amends Resolution #20, 2015 to add a \$17,463.00 line item for three (3) ultrasonic flow sensors and one (1) portable flow meter to the 2016 CPWA Capital Budget.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

PRESERVE TEST WELL

Mr. Austin reported that the Authority is about to apply for a canal work permit. Siting work has been done by CT Male & Associates. Mr. Vopelak is preparing bid documents for this project.

UNION NEGOTIATIONS

Mr. Gerstenberger made a **motion** to move into executive session at 8:08pm to discuss union negotiations and health insurance; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

Mr. Gerstenberger made a **motion** to move out of executive session at 8:59pm; seconded by Mr. Butler. The **motion** carried 3-0, 2 absent.

A **motion** was made by Mr. Gerstenberger authorizing the hiring of a labor attorney to represent the CPWA in collective bargaining negotiations; seconded by Mr. Butler.

RESOLUTION #26, 2016 – AUTHORIZING THE HIRING OF A LABOR ATTORNEY TO REPRESENT THE CPWA IN COLLECTIVE BARGAINING NEGOTIATIONS

WHEREAS, the existing collective bargaining agreement between the Clifton Park Water Authority and Civil Service Employees Association, Inc. Local 1000 AFSCME, AFL-CIO (CSEA) expires on December 31, 2016, and

WHEREAS, the Clifton Park Water Authority Board of Directors wishes to engage a law firm with extensive labor negotiation experience to represent the CPWA in its negotiations on a new contract, and

WHEREAS, the CPWA has previously engaged the services of the law firm of Roemer, Wallens, Gold & Mineaux, LLP for this purpose, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby authorizes the use of the law firm of Roemer, Wallens, Gold & Mineaux for the purpose of negotiating a new collective bargaining agreement with the employees of the Clifton Park Water Authority, and agrees to their proposed fee schedule, which includes an hourly rate of \$230.00, and a not to exceed amount of \$12,500.00.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

HEALTH INSURANCE

A **motion** was made by Mr. Butler authorizing Jaeger & Flynn Associates, Inc. to serve as insurance consultants; seconded by Mr. Peterson.

RESOLUTION #24, 2016 – AUTHORIZING JAEGER & FLYNN ASSOCIATES, INC. TO SERVE AS INSURANCE CONSULTANTS

WHEREAS, Jaeger & Flynn Associates, Inc. has presented a proposal to provide insurance services including consultation and management for health insurance, liability, workers compensation, and disability insurance plans,

WHEREAS, the CPWA Board of Directors desires to engage Jaeger & Flynn Associates, Inc. for insurance services, now therefore be it

RESOLVED, that the CPWA hereby authorizes Jaeger & Flynn Associates, Inc. to serve as its insurance consultants, insurance broker and insurance plan manager effective immediately.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

A **motion** was made by Mr. Peterson authorizing the MVP Silver 8 Liberty plan as the new health insurance plan; seconded by Mr. Gerstenberger.

RESOLUTION #25, 2016 – AUTHORIZING MVP SILVER 8 LIBERTY PLAN AS THE HEALTH INSURANCE PLAN

WHEREAS, the CPWA's current health insurance carrier, CDPHP, has notified the CPWA that the current health insurance plan will no longer be available after August 31, 2016, now therefore be it

RESOLVED, that MVP Silver 8 Liberty plan shall be selected effective September 1, 2016.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

REFUNDING BOND RESOLUTION

A **motion** was made by Mr. Gerstenberger approving a Financial Services Agreement with Fiscal Advisors & Marketing, Inc.; seconded by Mr. Butler.

RESOLUTION #19, 2016 – APPROVE FINANCIAL SERVICES AGREEMENT WITH FISCAL ADVISORS & MARKETING, INC.

WHEREAS, the CPWA wishes to engage a financial advisor for the purpose of aiding in the refunding of the CPWA's 2009 Series Bonds, as well as other financial services, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby agrees to enter into a Financial Services Agreement with Fiscal Advisors & Marketing, Inc., as attached, and authorizes the CPWA Chairman to execute all necessary documents to implement this agreement.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

A **motion** was made by Mr. Butler authorizing Roosevelt & Cross as underwriter for bond refunding; seconded by Mr. Peterson.

RESOLUTION #20, 2016 – AUTHORIZE ROOSEVELT & CROSS AS UNDERWRITER FOR BOND REFUNDING

WHEREAS, the CPWA wishes to engage an underwriter for the purpose of handling the underwriting services for the refunding of the CPWA's 2009 Series Bonds, and

WHEREAS, the CPWA has received proposals from underwriting firms for these services, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby authorizes the use of Roosevelt & Cross, Inc. as underwriter for the sole purpose of providing underwriting services associated with the refunding of the CPWA's 2009 Series Bonds at a fee per \$1,000 bond of \$7.28.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

A **motion** was made by Mr. Gerstenberger authorizing the issuance of the Authority's Water System Revenue Refunding Bonds, Series 2016 (the Series 2016 Bonds"), and approving the execution of related documents; seconded by Mr. Peterson.

The Board passed **RESOLUTION #21, 2016**, as attached, **AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016 (THE "SERIES 2016 BONDS"), AND APPROVING THE EXECUTION OF RELATED DOCUMENTS.**

NEW BUSINESS

ELECTRICITY SUPPLY CONTRACT

A **motion** was made by Mr. Butler authorizing an Agreement to purchase natural gas supply; seconded by Mr. Gerstenberger.

**RESOLUTION #22, 2016 – AUTHORIZING AN AGREEMENT TO PURCHASE
NATURAL GAS SUPPLY**

WHEREAS, the Clifton Park Water Authority had an agreement with UGI Energy Services to purchase natural gas supply at a fixed rate, and

WHEREAS, the contract has expired and the CPWA Board of Directors wishes to enter into a new fixed-rate contract for natural gas supply, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby authorizes the Water Authority Administrator to analyze the proposals presented and enter into a contract for natural gas supply, with the maximum length of the contract to be three years with an option to terminate early without penalty.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

A **motion** was made by Mr. Peterson authorizing an Agreement to purchase electricity supply; seconded by Mr. Butler.

**RESOLUTION #23, 2016 – AUTHORIZING AN AGREEMENT TO PURCHASE
ELECTRICITY SUPPLY**

WHEREAS, the Clifton Park Water Authority had an agreement with Direct Energy to purchase electricity supply at a fixed rate, and

WHEREAS, the contract has expired and the CPWA Board of Directors wishes to enter into a new fixed-rate contract for electricity supply, now therefore be it

RESOLVED, that the Clifton Park Water Authority Board of Directors hereby authorizes the Water Authority Administrator to analyze the proposals presented and enter into a contract for electricity supply, with the maximum length of the contract to be three years with an option to terminate early without penalty.

Roll Call Vote:

Mr. Gerstenberger	- Aye
Mr. Ryan	- Absent
Mr. Peterson	- Aye
Mr. Taubkin	- Absent
Mr. Butler	- Aye

OTHER BUSINESS

- Mr. Austin gave the board a metered water sales comparison for 2015 and 2016. He stated the numbers are a bit lower this year. May 2015 was a record month for pumpage due to an extremely dry spring, which led to some higher bills starting in June. This year the dry weather has been more recent. The upcoming months should show an increase.
- Mr. Butler asked Mr. Austin if he was familiar with companies soliciting customers to purchase insurance coverage for repairs to their water service lines. Mr. Austin stated that the company HomeServe has been soliciting customers with mailings informing them of their responsibility for repairs to their water service lines, and encouraging them to purchase insurance coverage against potentially high repair costs. Mr. Austin recommends customers look into the insurance if the repairs would create a hardship for them. He also recommends that they check their homeowner's insurance policy for coverage.

APPROVE MINUTES OF JULY 11, 2016 MEETING

A **motion** was made by Mr. Gerstenberger approving the minutes of July 11, 2016; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

A **motion** was made by Mr. Butler to adjourn the meeting at 9:08pm; seconded by Mr. Peterson. The **motion** carried 3-0, 2 absent.

Respectfully submitted,

Sheri Collins

Recording Secretary

cc: CPWA Board of Directors
Neil Weiner



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisors to Local Governments

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement ("Agreement"), entered into as of August 9, 2016 ("Effective Date"), is between the Clifton Park Water Authority ("Client") and Fiscal Advisors & Marketing, Inc. ("Fiscal Advisors") (collectively referred to herein as the "Parties").

Client agrees to hire Fiscal Advisors and Fiscal Advisors agrees to act as financial advisor to the issuer to provide services relating to the issuance of Refunding Water Revenue Bonds, Series 2016 (the "Securities"), pursuant to the terms of this Agreement:

1. ISSUANCE DESCRIPTION. Client intends to advance refund its outstanding 2009 Water Revenue Bonds (the "Issuance").

2. SCOPE OF SERVICES. Client hires Fiscal Advisors to provide the services set forth in Appendix A attached hereto ("Services"). All services described in Appendix A are hereby incorporated by reference and the scope of Fiscal Advisor's engagement under the terms of this Agreement shall be solely limited to the Services. Client acknowledges that prior to the Effective Date that Fiscal Advisors has not provided any advice, recommendations or guidance with respect to the Issuance and that, to the extent any prior communications have occurred between Client and Fiscal Advisors relative to the Issuance, any such communications have been limited to communications involving general information relative to the Issuance.

3. COMPENSATION. As compensation for the provisions of Services, Client hereby agrees to compensate Fiscal Advisors in accordance with Fiscal Advisors' Fee Schedule attached hereto as APPENDIX - B ("Compensation"). Any modification to the fee schedule agreed to by the Parties in writing will become effective upon the date and time mutually agreed upon by the Parties.

4. TERM AND TERMINATION. This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated by either party upon (30) days written notice; provided, however, that in the event of termination of any such engagement, Fiscal Advisors reserves the right to receive a portion of Compensation based upon the services rendered under this Agreement up to and including the date of termination.

5. AGREEMENT TO PROVIDE INFORMATION. Client agrees to provide Fiscal Advisors with factual not misleading information as shall be deemed necessary by Fiscal Advisors for the performance of Services, which shall include financial statements, budgets, and other relevant documents. Client further agrees to not intentionally omit any material information relevant to Fiscal Advisors' provision of Services.

6. BILLING STATEMENT. Client will receive an invoice upon the closing of the securities issuance which shall be due and payable within thirty (30) days of the invoice date.

7. OUT-OF-POCKET EXPENSES. Fiscal Advisors will not charge for out-of-pocket expenses.

8. INDEMNITY. Client hereby agrees to indemnify Fiscal Advisors and hold it harmless against any loss, liability, assessments, or expense (including reasonable attorneys' fees) incurred or assessed arising out of, or in connection with, Fiscal Advisors' acceptance, administration, or performance of its duties hereunder, except such as may arise from Fiscal Advisors' own bad faith, willful misconduct, or gross negligence, including the cost and expense of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under the terms of this Agreement.

9. **AMENDMENT.** This Agreement constitutes and expresses the entire agreement of the Parties with respect to the subject matter hereof, and all promises, undertakings, representations, agreements, understandings and arrangements, whether oral or written, with reference thereto are merged herein. No amendments to or alterations or variations of this Agreement shall be valid unless made in writing and signed by the Parties. Fiscal Advisors agrees to promptly amend or supplement this Agreement to reflect any material changes or additions to this Agreement.

10. **HEADINGS.** The headings of the various sections in this Agreement are inserted for the convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

11. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of New York. Any suit or legal proceeding brought pursuant to, touching upon, relating to, or otherwise arising out of this Agreement or performance hereunder will be brought solely in the County of Onondaga, New York.

12. **DODD-FRANK COMPLIANCE.** Fiscal Advisors is a registered municipal advisor in good standing with both the SEC (#866-00478-00) and the MSRB (#K0191).

13. **DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION.** Client acknowledges that it has received those disclosures set forth and contained within Appendix C attached hereto. Client further acknowledges that it has been given the opportunity to raise questions and discuss the foregoing matters with Fiscal Advisors and that it fully appreciates the nature of these conflicts and corresponding disclosures. Client hereby waives such conflicts and authorizes Fiscal Advisors to provide those services described herein. Client further agrees that in the event Fiscal Advisors shall provide any additional disclosures, that such disclosures may be provided to and acknowledged by Client's Administrator.

14. **COUNTERPARTS.** This Agreement may be executed in any number of identical counterparts, via facsimile transmission or otherwise, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective duly authorized officers as of the date first written above.

CLIFTON PARK WATER AUTHORITY

FISCAL ADVISORS & MARKETING, INC.

By: _____

By: Jeanine Rodgers Caruso

Signature: _____

Signature: Jeanine Rodgers Caruso

Title: _____

Title: President

APPENDIX A – SERVICES

1. **FINANCING PLAN.** Fiscal Advisors will develop a financing plan that will include recommendations with respect to the timing of the Securities sale, a maturity schedule, redemption features, and other terms required to market the Securities.
2. **RECOMMENDATIONS AND REVIEW OF SECURITIES TYPE.** Upon the written request of Client, Fiscal Advisors shall review the financing type selected by Client and/or make recommendations as to the suitability of a particular type(s) of financing. Unless specifically requested by Client, in writing, Fiscal Advisors shall assume that Client has already conducted an analysis of the suitability of a particular financing type and shall be under no duty to investigate and/or advise Client of alternatives to the proposed financing structure that are then suitable to Client.
3. **OFFICIAL STATEMENT PREPARATION.** Fiscal Advisors will prepare the Preliminary and Final Official Statement (collectively the “Official Statement”) to be used in conjunction with the sale of Securities. In order to assist Client in fulfilling its disclosure obligations, Fiscal Advisors will prepare the Official Statement in a form consistent with the Government Finance Officers Association’s disclosure Guidelines. In preparing the Official Statement, Fiscal Advisors will collect, research, develop and compile data for use therein.
4. **PRIVATE PLACEMENT MEMORANDUM PREPARATION.** When appropriate, Fiscal Advisors will assist Client in preparing a private placement memorandum or other necessary offering document necessary to complete such financings. The private placement memorandum will contain information and be in such format as prescribed by industry standards for such issue.
5. **RATING ANALYSIS AND PREPARATION.** Fiscal Advisors shall use its best efforts in obtaining the highest possible rating for Client’s Securities. Fiscal Advisors will analyze the over-all credit conditions of Client including the probable impact of any potential financing plan on the credit rating of Client. Fiscal Advisors will assist Client official(s) prepare for the rating interview with rating agency personnel, which may occur at the office(s) of the rating agency(ies). Fiscal Advisors will meet or engage in discussions with municipal rating agencies to review Client’s economic and financial condition and financing plans.
6. **CREDIT ENHANCEMENT.** Fiscal Advisors will make recommendations as to the appropriateness of municipal bond insurance for an offering. Fiscal Advisors will take into consideration the requirements for insurance and likelihood that a particular offering would qualify. Fiscal Advisors will also make recommendations as to the appropriateness of other forms of credit enhancements that might be available to Client, if any.
7. **MARKETING.** Fiscal Advisors shall develop a marketing plan for the sale of the Securities, which shall include recommendations as to the method of sale (i.e., competitive bid, negotiated underwriting or private placement). For a competitive sale, Fiscal Advisors shall prepare all necessary bidding documents and offering materials, including the notice of sale and *Bond Buyer* publication. For a negotiated sale Fiscal Advisors shall prepare a request for proposals, appraise the proposals received, make recommendations as to the firm to be selected, and finalize the terms of the sale to reflect Client’s best interest.

8. **MARKET ANALYSIS.** In order to appropriately advise Client on the establishment of a desirable sale date and to keep Client abreast of the cost of the financing plan under development, Fiscal Advisors shall monitor the following:

- a. General conditions and trends in the economy;
- b. Capital market conditions including the imposition of any unusual restraints on monetary supply by the Federal Reserve System;
- c. The status of recently sold municipal issues; and
- d. The supply of municipal securities coming to market.

9. **PAYING AGENT OR TRUSTEE & ESCROW AGENT SELECTION.** Fiscal Advisors shall assist Client in selection a Paying Agent or Trustee & Escrow Agent, as applicable.

10. **PRINTING SERVICES.** Fiscal Advisors will arrange for printing of all necessary documents, including Official Statements, notices of sale, bid forms and all other necessary documents.

11. **MATHEMATICAL COMPUTATIONS.** Fiscal Advisors will prepare maturity and other schedules showing mathematical results including the source and disbursement of funds, yield calculations, savings and escrow account calculations.

12. **ATTENDANCE AT MEETINGS.** Fiscal Advisors shall Client attend meetings to explain the progress of the transaction and the various documents to be adopted by Client.

13. **CLOSING SERVICES.** Fiscal Advisors will provide services required to effectuate the Securities closing including assisting with the establishment of the Securities accounts, the transfer of funds at the time of the Securities closing, and CUSIP identification number obtainment.

14. **REQUEST FOR PROPOSALS FOR SERVICE PROVIDERS.** Fiscal Advisors will prepare a request for proposal for the selection of Bond Underwriter services as required for the Issuance. Fiscal Advisors will make recommendations regarding the selection of Escrow Agent and Verification Agent to perform services as required for the Issuance.

15. **SECONDARY DISCLOSURE.** Unless otherwise directed by Client, Fiscal Advisors will, on an annual basis, file Client's Continuing Disclosure Report with the Municipal Securities Rulemaking Board's ("MSRB") EMMA online document repository as required under the terms of the Continuing Disclosure Agreement or other written agreement requiring the filing of a Continuing Disclosure Report. The Continuing Disclosure Report will contain all information and data as required under the terms of the Continuing Disclosure Agreement or other written agreement prepared and executed in connection with the issuance.

APPENDIX B – FEE SCHEDULE

For All-Inclusive Financial Advisory Services

for the Refunding Bond Issue:	\$30,000
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Continuing Disclosure

Annual Continuing Disclosure	\$ 2,200
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Annual Continuing Disclosure (when an Official Statement has been completed during that year)	\$ 1,200
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Material Event Filings (per occurrence)	\$ 500
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Hourly Fee	\$ 185
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APPENDIX C - DISCLOSURE OF CONFLICTS OF INTEREST

VARIOUS FORMS OF COMPENSATION

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

Forms of compensation; potential conflicts. The fees to be paid by the Client to Fiscal Advisors are contingent on the successful closing of the transaction. Although this form of compensation may be customary, it presents a conflict because Fiscal Advisors may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, Fiscal Advisors may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction. Fiscal Advisors manages and mitigates this conflict primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Client which require it to put the interests of the Client ahead of its own.

Fixed fee. Under a fixed fee form of compensation, the Municipal Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Municipal Advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (e.g., a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to a Municipal Advisor periodically (e.g., monthly) and are not contingent upon the completion of a financing or other

transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the Municipal Advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

OTHER MATERIAL CONFLICTS OF INTEREST

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about material conflicts of interest. The following represent Fiscal Advisors material conflicts of interest known to Fiscal Advisors as of the date of this Agreement.

Affiliated Entities and Subsidiaries. For most securities issuances, clients will need to utilize the services of a financial printer of the Official Statement, Notice of Sale and/or Bid Forms. In connection with these printing undertakings, Fiscal Advisors utilizes Premier Printing, Inc., a wholly owned subsidiary of Fiscal Advisors, to print, mail and electronically post client documents.

LEGAL OR DISCIPLINARY EVENTS

Fiscal Advisors is registered as a "Municipal Advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). As part of this registration Fiscal Advisors is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Fiscal Advisors. Pursuant to MSRB Rule G-42, Fiscal Advisors is required to disclose any legal or disciplinary event that is material to the Client's evaluation of Fiscal Advisors or the integrity of its management or advisory personnel. Fiscal Advisors has determined that no such event exists. Copies of Fiscal Advisors filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at:

<https://www.sec.gov/edgar/searchedgar/companysearch.html>

Search for either Fiscal Advisors & Marketing, Inc. or for our CIK number which is 0001591452.

There have been no material changes to the legal or disciplinary events that Fiscal Advisors has disclosed to the SEC.

**RESOLUTION #21, 2016 – AUTHORIZING THE ISSUANCE OF THE AUTHORITY’S
WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016 (THE “SERIES 2016
BONDS”), AND APPROVING THE EXECUTION OF RELATED DOCUMENTS**

At a regular meeting of the Clifton Park Water Authority, held at the Offices of the Authority located at 661 Clifton Park Center Road, Clifton Park, New York 12065, at 7:00p.m., on the 9th day of August, 2016, the following members of the Authority were:

PRESENT: Helmut Gerstenberger, George Peterson, & William Butler.

ABSENT: John Ryan & Peter Taubkin.

ALSO PRESENT: Donald J. Austin Jr., Neil Weiner Esq., Sheri Collins, & Walter Schlesier Jr.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Authority’s proposed Water System Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”).

The following resolution was duly moved by Mr. Gerstenberger, seconded by Mr. Peterson, discussed and adopted with the following members voting in open session:

AYES: Helmut Gerstenberger, George Peterson & William Butler

NAYS:

RESOLUTION AUTHORIZING THE ISSUANCE OF THE AUTHORITY'S
WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016 (THE
"SERIES 2016 BONDS"), AND APPROVING THE EXECUTION OF
RELATED DOCUMENTS

WHEREAS, by Title VI-B of Article 5 of the New York Public Authorities Law, enacted as Chapter 724 of the Laws of 1990 of the State of New York, as amended, (the "Act"), the Clifton Park Water Authority (the "Authority") was created with the authority and power to issue its revenue bonds for the purpose of, among other things, (A) to acquire and to construct a water supply and distribution system (the "Water System") and to operate and maintain the same, (B) to fix rates and collect charges for the use of or the services rendered or commodities furnished by the Water System, so as to produce revenues sufficient at all times to pay, as the same shall become due, the principal of and interest on the bonds, notes or other obligations of the Authority, together with necessary reserves therefor, and the expenses of operating and maintaining the Water System, together with the necessary reserves therefor and (C) to issue its bonds, notes or other obligations, from time to time, to provide funds for any of its corporate purposes, including the payment of the "Costs" of any "Water Project", and to refund any outstanding bonds of the Authority issued for such purposes (as defined in the Act) owned or operated by or for the benefit of the Authority in accordance with the Act; and

WHEREAS, the Authority proposes to issue its Water System Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds") pursuant to the Act in the anticipated aggregate principal amount not to exceed \$6,000,000 in order to (i) refund all or a portion of the Authority's \$8,130,000 original principal amount Water System Revenue Bonds, Series 2009 (the "Series 2009 Bonds"), (ii) make a deposit into the Debt Service Reserve Fund so that the amount on deposit therein equals the Reserve Requirement, (iii) pay the cost of obtaining any Credit Facility, Liquidity Facility or Financial Guaranty that may be obtained with respect to the Series 2016 Bonds, and (iv) pay certain of the Costs of Issuance of the Series 2016 Bonds; and

WHEREAS, the Authority now desires to authorize the sale and issuance of the Series 2016 Bonds and to approve and authorize the execution of related documents, subject to the terms and conditions described herein.

NOW, THEREFORE, BE IT RESOLVED by the Clifton Park Water Authority as follows:

Section 1. The Authority hereby finds and determines:

(a) By virtue of the Act, the Authority has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

(b) It is desirable and in the public interest for the Authority to issue and sell the Series 2016 Bonds pursuant to the Water System Revenue Bond Resolution adopted by the Authority on November 16, 1993 (the "Resolution"), as supplemented by the Fifth

Supplemental Bond Resolution hereinafter described (the "Fifth Supplemental Bond Resolution" and, together with the Resolution, the "Resolutions") for the purposes described herein.

Section 2. In consequence of the foregoing and subject to the conditions hereinafter described, the Authority hereby determines to: (i) to refund all or a portion of the Series 2009 Bonds, (ii) to make a deposit into the Debt Service Reserve Fund so that the amount on deposit therein equals the Reserve Requirement, (iii) to pay the cost of obtaining any Credit Facility, Liquidity Facility or Financial Guaranty that may be obtained with respect to the Series 2016 Bonds, and (iv) to pay certain of the Costs of Issuance of the Series 2016 Bonds.

Section 3. The Authority hereby adopts and approves the Fifth Supplemental Bond Resolution and the form of the Series 2016 Bonds therein, in substantially the form attached as Exhibit A hereto with such changes as may be approved by an Authorized Officer of the Authority described in Section 4 hereof.

Section 4. The Authority is hereby authorized to issue, execute, sell and deliver the Series 2016 Bonds pursuant to the Resolutions, in the aggregate principal amount as shall be approved by the Chairman, Vice Chairman, Administrator or the Treasurer (each, an "Authorized Officer"), provided that:

(a) Subject to the condition set forth in subparagraph (b), the Series 2016 Bonds shall be issued, executed and delivered at such time as an Authorized Officer of the Authority shall determine.

(b) The Series 2016 Bonds are not and shall never be a debt of the State of New York or any political subdivision thereof other than the Authority, including without limitation the County of Saratoga, and neither the State of New York nor any political subdivision thereof other than the Authority, including without limitation the County of Saratoga, shall be liable thereon.

Section 5. The Series 2016 Bonds shall not be issued, executed or delivered until the prior approval of the State Comptroller shall have been obtained as required by the Act.

Section 6. This Resolution shall take effect immediately.

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

I, the undersigned, Secretary of the Clifton Park Water Authority, DO HEREBY CERTIFY that:

I have compared the annexed extract of the minutes of the meeting of the Clifton Park Water Authority (the "Authority") including the resolution contained therein (the "Resolution"), held on the 9th day of August, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Authority and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I further certify that (i) all members of the Authority had due notice of the meeting, (ii) pursuant to Article 7 of the Public Officers Law (Open Meetings Law), such meeting was opened to the general public, and notice of the time and place of such meeting was duly given in accordance with Article 7 of the Public Officers Law, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I further certify that the Resolution has not been amended or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this ____ day of August, 2016.

Secretary

(SEAL)

EXHIBIT A

FIFTH SUPPLEMENTAL BOND RESOLUTION

See attached.

CLIFTON PARK WATER AUTHORITY

FIFTH SUPPLEMENTAL BOND RESOLUTION
AUTHORIZING NOT TO EXCEED \$6,000,000
WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016

Adopted August 9, 2016

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**FIFTH SUPPLEMENTAL BOND RESOLUTION AUTHORIZING
NOT TO EXCEED \$6,000,000 WATER SYSTEM REVENUE REFUNDING BONDS,
SERIES 2016**

BE IT RESOLVED BY THE BOARD OF THE CLIFTON PARK WATER
AUTHORITY (THE "AUTHORITY") AS FOLLOWS:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Supplemental Resolution. This resolution may hereafter be cited by the Authority and is herein referred to as the "Fifth Supplemental Bond Resolution Authorizing Not to Exceed \$6,000,000 Water System Revenue Refunding Bonds, Series 2016" or as the "Fifth Supplemental Bond Resolution." This Fifth Supplemental Bond Resolution is supplemental to, and is adopted in accordance with Article X of, the resolution adopted by the Authority on November 16, 1993, as amended, entitled "Water System Revenue Bond Resolution" (the "Resolution").

Section 102. Definitions.

1. All terms which are defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this Fifth Supplemental Bond Resolution, as such terms are given in said Section 1.01.

2. In addition, as used in this Fifth Supplemental Bond Resolution, unless the context shall otherwise require, the following words and terms used herein shall have the following meanings:

"Bond Depository" means The Depository Trust Company or such other securities depository as the Authority may appoint pursuant to Section 502 hereof, and its successors and any replacement securities depository appointed pursuant to Section 502 hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement among the Authority and the Underwriters for the sale of the Series 2016 Bonds authorized to be entered into by this Fifth Supplemental Bond Resolution.

"Bond Proceeds Fund" means the Clifton Park Water Authority - Series 2016 Bond Proceeds Fund created pursuant to Section 402 hereof.

"Capital Appreciation Bonds" means Series 2016 Bonds the interest on which (i) is compounded and accumulated at the rates and at the dates set forth in the Certificate of Determination authorizing the issuance of the Series 2016 Bonds and (ii) is payable upon maturity or redemption of such Series 2016 Bonds.

“Certificate of Determination” means the Certificate of Determination to be executed by an Authorized Officer of the Authority pursuant to Section 204 of this Fifth Supplemental Bond Resolution evidencing such officer’s determination of the specific terms of the Series 2016 Bonds and other matters relating to the Series 2016 Bonds.

“Current Interest Bonds” means Series 2016 Bonds the interest on which is payable on the interest dates provided therefor in this Fifth Supplemental Bond Resolution or the Certificate of Determination.

“Letter of Instructions” means the letter of instructions from the Authority to the Series 2009 Trustee regarding the refunding of the Series 2009 Bonds with proceeds of the Series 2016 Bonds.

“Series 2009 Trustee” means The Bank of New York Mellon, as Trustee for the Series 2009 Bonds.

“Series 2009 Bonds” means the Authority’s \$8,130,000 Water System Revenue Bonds, Series 2009 issued on December 10, 2009 pursuant to the Series 2009 Resolution.

“Series 2009 Resolution” means the Third Supplemental Bond Resolution authorizing not to exceed \$8,750,000 Water system Revenue Bonds, Series 2009 adopted by the Authority on November 25, 2009 authorizing the issuance of the Series 2009 Bonds.

“Series 2016 Bonds” means the Authority’s Water System Revenue Refunding Bonds authorized to be issued pursuant to the Resolution and this Fifth Supplemental Bond Resolution.

“Term Bonds” means the Series 2016 Bonds so designated in the Certificate of Determination and which mature in a single principal installment or are payable from Sinking Fund Installments.

“Underwriters” means the underwriters named in the Bond Purchase Agreement.

3. Words of masculine gender mean and include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and Authorities, including public bodies, as well, and natural persons.

4. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Fifth Supplemental Bond Resolution refer to this Fifth Supplemental Bond Resolution, and such terms when used in the form of the fully registered bonds herein refer to said bonds.

Section 103. Authority for this Fifth Supplemental Bond Resolution. This Fifth Supplemental Bond Resolution is adopted pursuant to the provisions of the Resolution and the Clifton Park Water Authority Act (the “Act”) being Chapter 724 of the Laws of 1990 of the

State of New York, as amended, constituting Title VI-B of Article 5 of the New York Public Authorities Law.

ARTICLE II

AUTHORIZATION OF SERIES 2016 BONDS

Section 201. Principal Amount, Designation and Series. Pursuant to the provisions of the Resolution, a Series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized to be issued in an aggregate initial principal amount not to exceed \$6,000,000. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title “Series 2016 Bonds”, or by the title “Series 2017 Bonds” if the Bonds are issued after January 1, 2017, pursuant to and subject to the terms, conditions and limitations established in the Resolution and this Fifth Supplemental Bond Resolution.

Section 202. Purposes. The purposes for which the Series 2016 Bonds are to be issued are (i) to refund all or a portion of the Series 2009 Bonds, (ii) to make a deposit into the Debt Service Reserve Fund so that the amount on deposit therein equals the Reserve Requirement, (iii) to pay the cost of obtaining any Credit Facility, Liquidity Facility or Financial Guaranty that may be obtained with respect to the Series 2016 Bonds, and (iv) to pay certain of the Costs of Issuance of the Series 2016 Bonds.

Section 203. Issue Date. The Series 2016 Bonds shall be dated as provided in the Certificate of Determination, except as otherwise provided in Section 3.01(e) of the Resolution.

Section 204. Delegation of Authority. There is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the Resolution, the power with respect to the Series 2016 Bonds to determine and carry out the following:

(a) The principal amount of Series 2016 Bonds to be issued, in an aggregate principal amount up to Six Million Dollars (\$6,000,000);

(b) The date or dates, maturity date or dates and principal amount of each maturity of the Series 2016 Bonds, the amount and date of each Sinking Fund Installment, if any, and which Series 2016 Bonds, if any, are Serial Bonds, Term Bonds, Capital Appreciation or Current Interest Bonds; provided that the Series 2016 Bonds shall mature no later than October 1, 2046;

(c) The interest rate or rates of the Series 2016 Bonds (including a zero interest rate), the date from which interest on the Series 2016 Bonds shall accrue and the interest payment dates, if any, therefor; provided, however, that the true interest cost on the Series 2016 Bonds (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed ten percent (10%) per annum;

(d) The Paying Agent or Paying Agents, if any, for the Series 2016 Bonds and, subject to the provisions of Section 9.02 of the Resolution, the place or places of

payment of Principal Installments, Sinking Fund Installments, if any, Redemption Price of and interest on the Series 2016 Bonds; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution of the Authority adopted prior to authentication and delivery of the Series 2016 Bonds in accordance with the provisions of Section 9.02 of the Resolution;

(e) The Redemption Price or Redemption Prices, if any, and, subject to Article IV of the Resolution, the redemption terms, if any, for the Series 2016 Bonds; provided, however, that the Redemption Price of any Series 2016 Bond subject to redemption at the election of the Authority or in accordance with the Resolution shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2016 Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(f) Additional provisions for the sale or exchange of the Series 2016 Bonds and for the delivery thereof not otherwise set forth herein;

(g) Directions for the application of the proceeds of the Series 2016 Bonds not in conflict with the provisions hereof;

(h) The sale of the Series 2016 Bonds at public or private sale, provided that in the case of a private sale the purchase price paid by the purchasers thereof shall not be less than eighty-five percent (85%) of the principal amount of the Series 2016 Bonds so sold; the approval of the terms of and publication of an official statement describing the Series 2016 Bonds; and the publication of a notice of sale or execution of a contract or contracts or purchase at public or private sale on behalf of the Authority;

(i) The form of Series 2016 Bonds which are hereby authorized to be issued in the form of registered bonds, and the form of the Trustee's Certificate of Authentication thereon, all in the form as set forth in Section 501 hereof as modified in the Certificate of Determination to the extent that an Authorized Officer of the Authority determines such changes are in the best interest of the Authority; and

(j) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the Resolution, including, without limitation, incorporating a Credit Facility, Liquidity Facility or Financial Guaranty to the extent determined by an Authorized Officer of the Authority to be in the best interest of the Authority.

Such Authorized Officer shall execute a Certificate of Determination evidencing determinations or other actions taken pursuant to the authority granted herein or in the Resolution, and any such Certificate of Determination shall be conclusive evidence of the action or determination of such Authorized Officer as to the matters stated therein.

All Series 2016 Bonds issued pursuant to this Fifth Supplemental Bond Resolution of like maturity shall be identical in all respects, except as to denominations, maturity amounts, numbers and letters.

Section 205. Denominations, Numbers and Letters. The Series 2016 Bonds shall be issued in the denomination of \$5,000 or in denominations of any whole integral multiple thereof. The Series 2016 Bonds shall be issued in registered form, shall be lettered 16-AR followed by the number of the Series 2016 Bond, and shall be numbered consecutively from one (1) upward in order of their issuance. If more than one fully registered Series 2016 Bond is issued in a simultaneous transaction, such Bonds shall be numbered in such manner consistent with the above as the Trustee shall determine.

Section 206. Additional Determinations. To the extent an Authorized Officer of the Authority deems necessary to obtain a Credit Facility, Financial Guaranty or a Liquidity Facility or preserve a rating on the Series 2016 Bonds or to obtain a no adverse impact letter relating to the rating on the Series 2016 Bonds, or otherwise give effect to the terms of sale of the Series 2016 Bonds, the Certificate of Determination may include, to the extent reasonable or necessary to provide for the terms of the Series 2016 Bonds as set forth in the Bond Purchase Agreement, additional determinations providing for the interest rates, designation, maturities, terms of redemption and other terms with respect to the Series 2016 Bonds, including, but not limited to, minimum requirements on amounts held in the various Funds (which requirements are not inconsistent with the Resolution and this Fifth Supplemental Bond Resolution) and restrictions on investments of amounts held under the various Funds (which restrictions are not inconsistent with the Resolution and this Fifth Supplemental Bond Resolution).

Section 207. Appointment of Trustee. Pursuant to Section 9.01 of the Resolution, The Bank of New York Mellon is hereby appointed as Trustee for the Series 2016 Bonds.

ARTICLE III

SALE AND DELIVERY

Section 301. Sale of Bonds. The Series 2016 Bonds shall be awarded and sold to the Underwriters named in the Bond Purchase Agreement upon the terms and conditions set forth in the Bond Purchase Agreement at a purchase price of not less than eighty-five percent (85%) of the aggregate original principal amount of the Series 2016 Bonds to be sold.

The Chairman, Vice Chairman, Administrator, Treasurer, and Secretary of the Authority are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out the Bond Purchase Agreement, for the issuance, sale and delivery of the Series 2016 Bonds and for implementing the terms of the Series 2016 Bonds and the transactions contemplated hereby or thereby, including such changes to the form of Series 2016 Bonds as may be necessary or appropriate to reflect the provisions of any Credit Facility, Liquidity Facility or Financial Guaranty.

Section 302. Execution. The Series 2016 Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman, Vice Chairman, Administrator or Treasurer and the corporate seal of the Authority (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Administrator, Treasurer or Secretary of the Authority, or in such other manner as may be required by law.

Section 303. Delivery. After their execution as hereinabove provided, the Series 2016 Bonds shall be authenticated by the manual signature of the Trustee and, upon satisfaction of the conditions contained in the Resolution, shall be delivered to or upon the order of the Underwriters in accordance with the Bond Purchase Agreement.

Section 304. Arbitrage and Use of Proceeds Certificate. There is hereby delegated to each Authorized Officer of the Authority the power to execute and deliver an Arbitrage and Use of Proceeds Certificate with respect to the Series 2016 Bonds. Any such execution by an Authorized Officer shall be conclusive evidence of the approval required hereby.

Section 305. Continuing Disclosure Agreement. There is hereby delegated to each Authorized Officer of the Authority the power to execute and deliver a Continuing Disclosure Agreement between the Authority and the Trustee in connection with the sale and delivery of the Series 2016 Bonds. The Authority covenants with the holders from time to time of the Series 2016 Bonds that it will, and hereby authorizes each Authorized Officer of the Authority to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time. Notwithstanding any other provision of the Resolution or this Fifth Supplemental Resolution, failure of the Authority or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default, and the rights and remedies provided by the Resolution upon the occurrence of a default or an Event of Default shall not

apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

ARTICLE IV

ACCOUNTS; DISPOSITION OF PROCEEDS

Section 401. Creation of Series 2016 Accounts and Subaccounts. There is hereby created in each of the Bond Fund and the Rebate Fund an account relating to the Series 2016 Bonds which in each case shall be designated the "Series 2016 Account" thereof. Within the Series 2016 Account of the Bond Fund there is hereby created a Series 2016 Accrued Interest Account. There shall be deposited into and paid from each such Account any amounts to be deposited into or paid from the related Fund in connection with the Series 2016 Bonds.

Section 402. Creation of New Funds and Accounts.

(a) There is hereby created and established with the Trustee a Fund designated the Clifton Park Water Authority - Series 2016 Bond Proceeds Fund, and within the Bond Proceeds Fund there is hereby created the Series 2016 Costs of Issuance Account. Monies deposited into the Series 2016 Costs of Issuance Account shall be disbursed, upon the direction of an Authorized Officer, to pay Costs of Issuance of the Series 2016 Bonds, including costs associated with any Credit Facility, Liquidity Facility or Financial Guaranty for the Series 2016 Bonds. Any excess amount on deposit in the Series 2016 Costs of Issuance Account shall be transferred to the Series 2016 Account of the Bond Fund and used to pay principal of or interest on the Series 2016 Bonds.

(b) Any authorized officer of the Authority may establish one or more additional Funds or Accounts relating to the Series 2016 Bonds to be held by the Trustee for the purposes set forth in written instructions from the Authorized Officer to the Trustee.

Section 403. Disposition of Series 2016 Bond Proceeds. The proceeds of the sale of the Series 2016 Bonds shall be disposed of and applied, simultaneously with the issuance and delivery of the Series 2016 Bonds, in each case in amounts as determined in the Certificate of Determination, in the following order:

1. in the Series 2016 Accrued Interest Account of the Bond Fund, accrued interest, if any, received on the sale of the Series 2016 Bonds;
2. in the Debt Service Reserve Fund, the amount of money, if any, necessary in order that upon delivery and issuance of the Series 2016 Bonds the amount in the Debt Service Reserve Fund is equal to the Reserve Requirement taking into account the amount of any Financial Guaranty provided in accordance with Section 2.04 of the Resolution;
3. in the Series 2016 Cost of Issuance Account, the amount sufficient to pay the Costs of Issuance of the Series 2016 Bonds, including costs associated with any Credit Facility, Liquidity Facility or Financial Guaranty for the Series 2016 Bonds; provided, however, that any amounts payable to the provider of a Credit Facility, Liquidity Facility or Financial Guaranty securing the Series 2016 Bonds may be paid directly from the Underwriters to such

provider in satisfaction of a like amount of the purchase price, upon the direction of the Authority; and

4. the balance of such proceeds shall be deposited in the Series 2009 Bond Redemption Account of the Bond Fund, to be disbursed for payment of certain of the Series 2009 Bonds in accordance with the Letter of Instructions. Pursuant to the Letter of Instructions, proceeds of the Series 2016 Bonds deposited into the Series 2009 Bond Redemption Account of the Bond Fund are hereby irrevocably committed and pledged to the payment of the principal of and premium and interest on certain of the Series 2009 Bonds as specified in the Letter of Instructions and the Holders, from time to time, of such Series 2009 Bonds shall have a lien upon such monies held by the Trustee. Such pledge and lien shall become valid and binding upon the issuance of the Series 2016 Bonds and the Series 2016 Bond proceeds held in the Series 2009 Bond Redemption Account of the Bond Fund shall immediately be subject thereto without any further act.

ARTICLE V

FORM OF SERIES 2016 BOND

Section 501. Form of Fully Registered Bond and Trustee's Authentication Certificate.

Subject to the provisions of the Resolution and except as otherwise provided in the Certificate of Determination, the Series 2016 Bonds in fully registered form shall be in substantially the following form:

[FORM OF REGISTERED SERIES 2016 BOND]

CLIFTON PARK WATER AUTHORITY

WATER SYSTEM REVENUE REFUNDING BOND, SERIES 2016

No.: 16-AR-__

Interest Rate

Maturity Date

Bond Date

CUSP Number

_____%

_____, 2016

Registered Holder:

Principal Sum:

Dollars

CLIFTON PARK WATER AUTHORITY (herein called the "Authority"), a body corporate and politic constituting a public Authority, organized and existing under and by virtue of the laws of the State of New York, acknowledges itself indebted to, and for value received hereby promises to pay to the Registered Holder identified above or registered assigns, on the Maturity Date set forth above, but solely from the sources hereinafter mentioned, upon presentation and surrender of this Bond at the principal office of _____, _____, New York (herein called the "Trustee"), or its successor as Trustee, the Principal Sum set forth above or redemption price, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay the Registered Holder hereof interest on such Principal Sum by check or draft mailed by the Trustee, from the date hereof, at the Interest Rate set forth above per annum, payable on _____, and semi-annually thereafter on the first days of _____ and _____ in each year, until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged.

This Bond is a special obligation of the Authority as provided in the Resolution (as hereinafter defined) and is one of a duly authorized issue of bonds of the Authority designated as its "Water System Revenue Refunding Bonds, Series 2016" (herein called the

“Series 2016 Bonds”), issued and to be issued in various series under and pursuant to the Clifton Park Water Authority Act, as amended being Chapter 724 of the Laws of 1990 of the State of New York and constituting Title 6-B of Article 5 of the Public Authorities Law of the State of New York, as it may be hereafter amended from time to time (herein called the “Act”), and under and pursuant to the resolution of the Authority, adopted November 16, 1993, entitled “Water System Revenue Bond Resolution”, as amended (herein called the “Resolution”), and the Fifth Supplemental Bond Resolution Authorizing Not to Exceed \$6,000,000 Water System Revenue Refunding Bonds, Series 2016, adopted by the Authority on August 9, 2016 (the “Fifth Supplemental Bond Resolution” and together with the Resolution, the “Resolutions”). As provided in the Resolutions, the principal or redemption price of and interest on the Series 2016 Bonds, and all other Bonds issued under the Resolutions on a parity therewith are special obligations of the Authority payable solely from, and secured solely by a pledge of, proceeds of Bonds held or set aside under the Resolutions, the Net Revenues, and the Funds established by the Resolutions with the exception of the Subordinate Obligation Fund and the Rebate Fund. Proceeds of the Series 2016 Bonds deposited into the Series 2009 Bond Redemption Account of the Bond Fund established under the Resolution and the Series 2016 Resolution are pledged solely for the payment of the principal or Redemption Price of and interest on the Series 2009 Bonds being refunded by the Series 2016 Bonds. Copies of the Resolutions are on file at the office of the Authority and at the principal office of the Trustee, and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder. Any terms used and not otherwise defined herein are used as defined in the Resolutions.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THE BONDS (INCLUDING, WITHOUT LIMITATION, THE SERIES 2016 BONDS) OR FOR ANY CLAIM BASED HEREON OR THEREON OR ON THE RESOLUTIONS, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE AUTHORITY OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE AUTHORITY OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

THE BONDS (INCLUDING WITHOUT LIMITATION THE SERIES 2016 BONDS) DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE TOWN OF CLIFTON PARK, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR THE TOWN OF CLIFTON PARK SHALL BE LIABLE THEREON. THE BONDS (INCLUDING WITHOUT LIMITATION, THE SERIES 2016 BONDS) DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR THE TOWN OF CLIFTON PARK, NEW YORK. THE AUTHORITY HAS NO TAXING POWER. THE AUTHORITY’S LIABILITY ON THIS SERIES 2016 BOND IS LIMITED TO A PAYMENT

FROM THE SOURCES DESCRIBED IN THE RESOLUTIONS AND THE SERIES 2016 SUPPLEMENTAL RESOLUTION.

As provided in the Resolution, the Bonds may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds which may be issued pursuant to the Resolution is not limited except as provided in the Resolution or as limited by law, and all Bonds issued and to be issued pursuant to the Resolution will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof and supplemental thereto, may be modified or amended by the Authority, by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding affected by such modification or amendment; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

As provided in the Resolution, the Authority may adopt, for certain enumerated purposes, Supplemental Resolutions which, upon adoption thereof and filing with the Trustee, shall be fully effective in accordance with the terms thereof. The Authority may adopt a Supplemental Resolution amending any provision of the Resolution, effective upon filing with the Authority of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

This Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the above mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new registered Bond or Bonds, without coupons, and of the same aggregate principal amount, Series and maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon payment of the charges therein prescribed. The Authority, the Trustee and each Paying Agent or Depository may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the Principal hereof and for all other purposes.

The Bonds are issuable in the form of registered Bonds without coupons in the denominations of \$5,000 or any integral whole multiple thereof. The registered owner of any Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Bonds of the same Series without coupons of any other authorized denominations, and of the same maturity, in the manner, subject to the conditions and upon the payment of the charges provided in the Resolution.

The Series 2016 Bonds are subject to redemption prior to maturity at the option of the Authority, upon notice as hereinafter provided, on any date on and after _____ 1, _____, either as a whole, or in part (and by lot if less than all of a maturity is to be redeemed), from maturities designated by the Authority at the following Redemption Prices plus accrued interest to the date of redemption:

Period (Both Dates Inclusive)	Redemption Prices (Expressed as a Percentage)
----------------------------------	---

The Series 2016 Bonds maturing on _____ 1, ____ and _____ 1, ____ are subject to mandatory redemption in part, by lot, on any _____ 1 on and after _____ 1, ____ and _____ 1, __, respectively, at the principal amount thereof plus accrued interest to the redemption date thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on _____ 1 of each year the principal amount of such Series 2016 Bonds as set forth in the Fifth Supplemental Resolution.

This Bond is payable upon redemption at the above mentioned office of the Trustee. Notice of redemption, shall be given by the Trustee in the name of the Authority, which notice shall be given by first-class mail, postage prepaid to the registered owners of Bonds of such Series which are to be redeemed, at their last known addresses, if any, appearing on the registration books of the Authority at least thirty (30) days but not more than sixty (60) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Resolutions. If notice of redemption shall have been initiated as aforesaid, the Bonds so called for redemption shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Bonds so called for redemption, together with interest to the redemption date, shall be held by the Trustee so as to be available for such payment on said date, then from and after the redemption date interest on such Bonds or portion thereof so called for redemption shall cease to accrue and such Bonds will no longer be considered to be Outstanding under the Resolutions.

The Act provides that neither the members of the board of the Authority nor any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Resolutions until this Bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

This Bond is issued pursuant to and in full compliance with the Constitution and statutes of the State of New York, including the Act. It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and the statutes of the State and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the issue of the Bonds, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the laws of the State.

IN WITNESS WHEREOF, THE CLIFTON PARK WATER AUTHORITY has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or other Authorized Officer and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or other Authorized Officer, all as of the Bond Date indicated above.

CLIFTON PARK WATER AUTHORITY

[SEAL]

By: _____

Attest:

[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATION OF AUTHENTICATION

This Bond is one of the Series 2016 Bonds described in the within mentioned Resolutions.

_____, as Trustee

By: _____
Authorized Officer

Date of Authentication:

ASSIGNMENT

Social Security or Other Identifying
Number of Assignee

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and
appoints _____ or its successor to transfer the within Bond on the books kept
for registration thereof, with full power of substitution in the premises.

Date: _____

Notice: Signature must correspond with the name of the registered owner as it appears on the
face of the within Bond in every particular, without acceleration or enlargement or any change
whatever.

Signature Guaranteed:

(Bank, Trust Company or Firm)

Section 502. Registration and Transfer of Bonds.

(a) Except as otherwise provided in the Certificate of Determination delivered in connection with the Series 2016 Bonds, the Series 2016 Bonds shall be initially issued in the form of a separate single authenticated fully registered bond in the amount of each separate stated maturity of the Series 2016 Bonds. Upon initial issuance, the ownership of such Series 2016 Bonds shall be registered in the registry Books of the Authority kept by the Trustee in the name of Cede & Co., as nominee of the Bond Depository. With respect to Series 2016 Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of the Bond Depository, the Authority and the Trustee shall have no responsibility or obligation to any participant of the Bond Depository or to any beneficial owner of the Series 2016 Bonds with respect to (i) the accuracy of the records of the Bond Depository, Cede & Co. or any participant with respect to any ownership interest in the Series 2016 Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than the Bond Depository, of any notice with respect to the Series 2016 Bonds, including any notice of exemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than the Bond Depository, of any amount with respect to the principal of, or premium, if any, or interest on the Series 2016 Bonds. The Authority and the Trustee may treat as and deem the Bond Depository to be the absolute owner of each Series 2016 Bond for the purpose of payment of the principal of and premium, if any, and interest on such Series 2016 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers with respect to such Series 2016 Bond, and for all other purposes whatsoever. The Authority or the Trustee shall pay all principal of and premium, if any, and interest on the Series 2016 Bonds only to or upon the order of the Bond Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on the Series 2016 Bonds to the extent of the sum or sums so paid. Except as otherwise provided below in this Section 502, no person other than the Bond Depository shall receive an authenticated Series 2016 Bond evidencing the obligation of the Authority to make payments of principal of and premium, if any, and interest pursuant to this Series 2016 Fifth Supplemental Bond Resolution. Upon delivery by the Bond Depository to the Authority or the Trustee of written notice to the effect that the Bond Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to consents, the words "Cede & Co." in this Fifth Supplemental Bond Resolution shall refer to such new nominee of the Bond Depository.

(b) Upon receipt by the Authority and the Trustee of written notice from the Bond Depository to the effect that the Bond Depository is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of the Bond Depository hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Series 2016 Bonds shall no longer be restricted to being registered in the registry books of the Authority kept by the Authority or by the Trustee in the name of Cede & Co., as nominee of the Bond Depository, but may be registered in whatever name or names the beneficial owners transferring or exchanging Series 2016 Bonds shall designate, in accordance with the provisions of this Fifth Supplemental Bond Resolution and the Resolution.

(c) In the event the Authority determines that it is in the best interests of the beneficial owners that they be able to obtain Series 2016 Bond certificates, the Authority may notify the Bond Depository and the Trustee, whereupon the Bond Depository will notify the participants, of the availability through the Depository of Series 2016 Bond certificates. In such event, the Authority shall direct the Trustee to issue, transfer and exchange Series 2016 Bond certificates as requested by the Bond Depository and any other Bondholders in appropriate amounts, and whenever the Bond Depository requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with the Bond Depository in taking appropriate action after reasonable notices (i) to make available one or more separate certificates evidencing the Series 2016 Bonds to any Bond Depository participant having Series 2016 Bonds credited to its Bond Depository account or (ii) to arrange for another Bond Depository to maintain custody of certificates evidencing the Series 2016 Bonds.

(d) Any Authorized Officer of the Authority is hereby authorized to enter into an agreement with the Bond Depository in order to carry out the provisions of this Fifth Supplemental Bond Resolution with respect to the use of the Bond Depository. Notwithstanding any other provision of this Fifth Supplemental Bond Resolution to the contrary, so long as any Series 2016 Bond is registered in the name of the Bond Depository or in the name of the nominee of the Bond Depository, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Series 2016 Bonds shall be made and given, respectively, to the Bond Depository as provided in the agreement between the Authority and the Bond Depository.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Fifth Supplemental Bond Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Bond Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(f) Each Series 2016 Bond shall be transferable only upon the books of the Authority, which shall be kept for such purpose at the office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Series 2016 Bond, the Authority shall issue or cause to be issued in the name of the transferee, and cause the Trustee to authenticate, a new fully registered Series 2016 Bond or Series 2016 Bonds, of the same aggregate principal amount, series and maturity as the surrendered Series 2016 Bond. Any Series 2016 Bond surrendered to exchange for a new Series 2016 Bond pursuant to this Section shall be canceled by the Trustee.

(g) The Authority, the Trustee, and each Paying Agent or Bond Depository may deem and treat the person in whose name the fully registered Series 2016 Bond shall be registered upon the books of the Authority as the absolute owner of such Series 2016 Bond, whether such Series 2016 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Sinking Fund Installments, if any, or redemption price of and interest on such Series 2016 Bond and for all other purposes and all such payments so made to

any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2016 Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

ARTICLE VI

MISCELLANEOUS

Section 601. No Recourse on the Series 2016 Bonds.

(a) No recourse shall be had for the payment of the Principal, Sinking Fund Installments or Redemption Price of or interest on the Series 2016 Bonds or for any claim based thereon or on the Fifth Supplemental Bond Resolution against any member, officer or employee of the Authority or any person executing the Series 2016 Bonds and neither the members of the Authority nor any other person executing the Series 2016 Bonds of the Authority shall be subject to any personal liability or accountability by reason of the issuance thereof, all such liability being expressly waived and released by every Holder of Series 2016 Bonds by the acceptance thereof.

(b) Nothing contained in this Fifth Supplemental Resolution is intended in any way to affect, limit or diminish the protection granted to the members of the Authority by the Act, including, without limitation, Section 1120-s thereof.

(c) The Series 2016 Bonds shall not constitute or give rise to an obligation of the State of New York or the Town of Clifton Park, New York, and neither the State of New York nor the Town of Clifton Park, New York shall be liable thereon. The Series 2016 Bonds shall constitute limited obligations of the Authority payable solely from the sources set forth in Section 5.01 of the Resolution.

Section 602. Incorporation of Certificate of Determination. The Certificate of Determination shall be incorporated herein, and the provisions thereof shall have the same force and effect as if fully set forth herein.

Section 603. Additional Tax Covenants.

(a) The Authority shall not permit at any time any of the proceeds of the Series 2016 Bonds or any other funds of the Authority to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Series 2016 Bond to be an “arbitrage bond” as defined in Section 148 of the Code.

(b) The Authority shall not permit at any time any proceeds of any Series 2016 Bonds or any other funds of the Authority to be used, directly or indirectly, in a manner which would result in the classification of any Series 2016 Bond as a “private activity bond” within the meaning of Section 141 of the Code.

Section 604. Effective Date. This Fifth Supplemental Bond Resolution shall take effect immediately.