

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, based on existing statutes, regulations, court decisions and administrative rulings, and assuming compliance with the tax covenants described herein, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, interest on the Series 2021B Bonds is NOT excluded from gross income for federal income tax purposes. Bond Counsel is further of the opinion that, based on existing law, (i) for so long as interest on the Series 2021A Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof, and (ii) interest on the Series 2021B Bonds is NOT exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.

\$1,855,000*

**ONONDAGA CIVIC DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021A**

and

\$190,000*

**ONONDAGA CIVIC DEVELOPMENT CORPORATION
TAXABLE REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021B**

Dated: Date of Delivery

Due: March 1, as shown on inside cover

The Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A (the "Series 2021A Bonds") and Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds"), are being issued by the Onondaga Civic Development Corporation (the "Issuer") to provide funds which, together with other available funds, will be used to (i) refund certain outstanding indebtedness as identified and discussed in "THE PLAN OF REFUNDING" herein, and (ii) pay certain costs of issuance of the Series 2021 Bonds. The Series 2021 Bonds will be issued pursuant to an Indenture of Trust, dated as of August 1, 2021 (the "Indenture"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee") and will be secured by a pledge of certain payments to be made under a Loan Agreement, dated as of August 1, 2021 (the "Loan Agreement"), by and between the Issuer and Onondaga Free Library (the "Library") as well as a pledge by the Library of monies levied as a real property tax by the Town of Onondaga (the "Town") on behalf of the Library and shall be paid directly by the Town to Manufacturers and Traders Trust Company, as fiscal agent (the "Fiscal Agent") pursuant to a Fiscal Agency Agreement, dated as of August 1, 2021 (the "Fiscal Agency Agreement") among the Town, the Issuer, the Library and the Fiscal Agent.

The Series 2021 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Series 2021 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2021 Bonds. Interest on the Series 2021 Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2022, until maturity. Principal and interest will be paid to the Trustee for payment to the Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series 2021 Bonds, as described herein.

The Series 2021 Bonds are special obligations of the Issuer and do not constitute a debt or pledge of the faith and credit of the Issuer, the Town, the State of New York, Onondaga County or any taxing authority or political subdivision thereof for the payment of the principal or redemption price thereof or interest thereon, but are payable solely from amounts derived from the Loan Agreement, the Fiscal Agency Agreement and other amounts available under the Fiscal Agency Agreement. The payment of the Series 2021 Bonds is not contingent upon any additional legislative actions of the Town, the County or the State. The Issuer has no taxing authority.

The Series 2021 Bonds are offered when, as and if issued and received by the underwriter and subject to the receipt of the unqualified legal opinion as to the validity of the Series 2021 Bonds of Harris Beach PLLC, Syracuse, New York, Bond Counsel. Certain legal matters will be passed upon for the Library by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York, for the Town by its counsel, Costello, Cooney & Fearon, PLLC, Syracuse, New York and for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York. It is anticipated that the Series 2021 Bonds will be available for delivery in Syracuse, New York, or as may be agreed upon, on or about August 18, 2021.

BAIRD

August __, 2021

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$1,855,000*
ONONDAGA CIVIC DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021A

Due*	Amount	Rate	Yield	Price	CUSIP**
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\$190,000*
ONONDAGA CIVIC DEVELOPMENT CORPORATION
TAXABLE REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021B

Due	Amount	Rate	Yield	Price	CUSIP**
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*The Series 2021A Bonds maturing in the years 20[] to 20[] are subject to redemption prior to maturity as described herein under the heading “THE SERIES 2021 BONDS - Optional Redemption”. The Series 2021B Bonds are not subject to redemption prior to maturity.

**CUSIP numbers have been assigned by an organization not affiliated with the Issuer and are included solely for the convenience of the Holders of the Series 2021 Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2021 Bonds or as indicated above.

No person has been authorized by the Library to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2021 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Library. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of its responsibilities under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**OFFICIAL STATEMENT
of the
ONONDAGA CIVIC DEVELOPMENT CORPORATION**

Relating to

\$1,855,000*

**ONONDAGA CIVIC DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021A
and**

\$190,000*

**ONONDAGA CIVIC DEVELOPMENT CORPORATION
TAXABLE REVENUE REFUNDING BONDS
(ONONDAGA FREE LIBRARY PROJECT), SERIES 2021B**

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to provide information in connection with the issuance by the Onondaga Civic Development Corporation, in Onondaga County, New York (the “Issuer”, the “County” and the “State”, respectively) of its 1,855,000* Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A (the “Series 2021A Bonds”) and 190,000* Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B (the “Series 2021B Bonds”); and, together with the Series 2021A Bonds, the “Series 2021 Bonds”).

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Series 2021 Bonds and the proceedings of the Issuer relating thereto are qualified in their entirety by reference to the definitive form of the Series 2021 Bonds and such proceedings.

THE SERIES 2021 BONDS

Authorization and Purpose

The Series 2021 Bonds are authorized pursuant to a resolution of the Issuer adopted on July 26, 2021 (the “Bond Resolution”). The Series 2021 Bonds will be issued pursuant to an Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”).

The proceeds of the Series 2021 Bonds will be applied to (i) refund certain outstanding indebtedness as identified and discussed in “THE PLAN OF REFUNDING” herein, and (ii) pay certain costs of issuance of the Series 2021 Bonds. Such outstanding indebtedness paid the costs of a certain capital improvement project undertaken at an existing library facility (the “Project Facility”) owned by the Onondaga Free Library (the “Library”). The proceeds of the sale of the Series 2021B Bonds will provide funds to pay certain costs and expenses incidental to the issuance of the Series 2021 Bonds.

The Series 2021 Bonds will be secured by a pledge of certain payments to be made under a Loan Agreement, dated as of August 1, 2021 (the “Loan Agreement”), by and between the Issuer and the Library as well as a pledge by the Library of monies levied as a real property tax by the Town of Onondaga (the “Town”) on behalf of the Library and shall be paid directly by the Town to Manufacturers and Traders Trust Company, as fiscal agent (the “Fiscal Agent”) pursuant to a Fiscal Agency Agreement, dated as of August 1, 2021 (the “Fiscal Agency

* Preliminary, subject to change.

Agreement”) among the Town, the Issuer, the Library and the Fiscal Agent. For more detailed information with respect to the duties and obligations of the Fiscal Agent, please refer to the Fiscal Agency Agreement attached here to as Appendix E.

In accordance with the terms and conditions of the Fiscal Agency Agreement, the Library, in consideration of the issuance of the Series 2021 Bonds by the Issuer, has directed the Town to pay the annual tax levied by the Town upon the taxable real property within the Town for the benefit of the Library (the “Annual Tax”) directly to the Fiscal Agent and the Library has assigned to the Fiscal Agent, for the benefit of the holders of the Series 2021 Bonds from time to time, its right, title and interest in the Annual Tax. The Fiscal Agent, in turn, is required by the provisions of the Fiscal Agency Agreement and the Indenture to transfer the Annual Tax proceeds as paid to it by the Town to the Trustee for deposit in the Bond Fund in order for the Trustee to make timely payments of the principal, interest and redemption premium, if any, on the Series 2021 Bonds as the same become due and payable.

The Fiscal Agent shall assign to the Trustee all of its rights under the Fiscal Agency Agreement pursuant to the terms of a certain Pledge and Assignment (Fiscal Agency Agreement) with an Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Fiscal Agent to the Trustee (the “Fiscal Agency Agreement Assignment”). See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS” herein.

Description of the Series 2021 Bonds

The Series 2021 Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page. The Series 2021 Bonds are subject to redemption prior to maturity. See “Optional Redemption” herein.

The Series 2021 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the “Depository”), which will act as Securities Depository for the Series 2021 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2021 Bonds. Interest on the Series 2021 Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2022 (each an “Interest Payment Date”) until maturity. Principal and interest will be paid by the Trustee for payment to the Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Series 2021 Bonds, as described herein. The Series 2021 Bonds may be transferred in the manner described in the Series 2021 Bonds and as described in certain proceedings of the Issuer referred to therein.

Mandatory Sinking Fund Redemption

The Series 2021 Bonds maturing on _____ are subject to redemption, in part, on each of the dates and the respective principal amounts as set forth below, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory sinking fund installments which are required to be made in amounts sufficient to redeem the principal amount of the Bond specified for each of the dates shown below:

Term Bonds Maturing	_____ 1,	Term Bonds Maturing	_____ 1,
<u>Date</u>	Principal <u>Amount</u>	<u>Date</u>	Principal <u>Amount</u>
	\$		\$
	†		†

†- Final Maturity.

Optional Redemption

The Series 2021A Bonds are subject to redemption by the Issuer at the option of the Library after [____], in whole or in part at any time, at the Redemption Price equal to the principal amount being redeemed, plus accrued interest to the Redemption Date.

The Series 2021B Bonds are not subject to optional redemption prior to maturity.

Extraordinary Mandatory Redemption

The Series 2021 Bonds are subject to redemption by the Issuer, at the option of the Library, in whole or in part, at any time, without premium or penalty, at a Redemption Price equal to 100% of the aggregate principal amount of the Series 2021 Bonds Outstanding plus interest accrued thereon to the Redemption Date, in the event (i) all or part of the Project Facility shall have been damaged or destroyed or (ii) title to, or the use of, all or any material part of the Project Facility shall have been taken by Condemnation or a defect in title to all or any material part of the Project Facility is determined to exist and, in either case, the Library's exercise of its option to terminate the Loan Agreement as provided in the Loan Agreement.

Notice of Redemption

When the Series 2021 Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Issuer and at the expense of the Library stating: (1) the Series 2021 Bonds to be redeemed (including the CUSIP number); (2) the Redemption Date; (3) except as otherwise provided in the Indenture, that such Series 2021 Bonds will be redeemed at the Office of the Trustee; (4) that on the Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof; and (5) that from and after the Redemption Date interest thereon shall cease to accrue. The Trustee shall mail a copy of such redemption notice postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to each Holder at the address of such Holder appearing on the registration books of the Issuer. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Series 2021 Bonds.

Book-Entry-Only System

Unless otherwise noted, the description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2021 Bonds, payment of interest and other payments on the Series 2021 Bonds to DTC Participants or Beneficial Owners of the Series 2021 Bonds, confirmation and transfer of beneficial ownership interests in the Series 2021 Bonds and other bond-related transactions by and between DTC, the DTC Participants and Beneficial Owners of the Series 2021 Bonds is based solely on information furnished by DTC for inclusion in this Official Statement. Accordingly, the Issuer, the Library, the Bond Trustee and the Underwriter do not and cannot make any representations concerning these matters.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct

Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2021 Bonds certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE LIBRARY, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OR INTEREST ON THE SERIES 2021 BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDOWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDDOWNER.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS OR REGISTERED HOLDERS OF THE SERIES 2021 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021 BONDS.

THE PLAN OF REFUNDING

The proceeds of the sale of the Series 2021 Bonds will provide funds which, together with other available funds, will (i) refund in whole the outstanding Onondaga County Industrial Development Agency's Civic Facility Revenue Bonds (Onondaga Free Library Project), Series 2008, as defined and discussed below, and (ii) pay certain costs of issuance of the Series 2021 Bonds.

The Onondaga County Industrial Development Agency ("OCIDA") previously issued its Civic Facility Revenue Bonds (Onondaga Free Library Project), Series 2008 on January 30, 2008 in the aggregate principal amount of \$3,000,000 (the "Series 2008 Bonds"). The proceeds of the Series 2008 Bonds were used to finance (i) the renovation of a 7,000 square foot library located at 4840 West Seneca Turnpike in the Town of Onondaga, (ii)

the construction of an approximately 15,000 square foot addition to such existing facility, and (iii) certain costs and expenses incidental to the issuance of the Series 2008 Bonds.

Upon the issuance and delivery of the Series 2021 Bonds, a portion of the proceeds thereof will be deposited with the trustee for the Series 2008 Bonds (the “Series 2008 Trustee”) to make scheduled payments of the principal of and interest on the Series 2008 Bonds through and including August 18, 2021 (the “Redemption Date”) and to pay the redemption price of the Series 2008 Bonds maturing thereafter (being equal to 100% of the principal amount thereof) on the Redemption Date. OCIDA has given the Series 2008 Trustee irrevocable instructions to give notice of the refunding and redemption of the Series 2008 Bonds and to apply the proceeds on deposit to the payment of the maturing principal or redemption price of, and interest on, the Series 2008 Bonds on the respective maturity or redemption dates.

ESTIMATED SOURCES AND USES OF FUNDS

The Issuer anticipates the sources and uses of funds to be as follows:

	<u>Series 2021A Bonds</u>	<u>Series 2021B Bonds</u>
Estimated Sources of Funds		
Principal Amount	\$	\$
Net Original Issue Premium		
Total Sources of Funds	\$	\$
Estimated Uses of Funds		
Deposit with Series 2008 Trustee	\$	\$
Cost of Issuance*		
Total Uses of Funds	\$	\$

* Includes Underwriter’s Discount, printing costs, Trustee fees, Fiscal Agent fees, rating agency fees, legal fees and other miscellaneous costs of issuance.

ANNUAL DEBT SERVICE ON THE SERIES 2021 BONDS

Annual debt service on the Series 2021 Bonds is as follows:

Fiscal Year Ending <u>Dec 31st:</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
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* *Rounded to the nearest dollar.*

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS

Set forth below is a narrative description of certain provisions relating to the source of payment and security for the Series 2021 Bonds and certain related covenants. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Loan Agreement, the Fiscal Agency Agreement and the Indenture for a complete description of such provisions. Copies of such documents are on file with the Trustee. See also “Appendix E - Fiscal Agency Agreement”, “Appendix F – Summary of the Loan Agreement” and “Appendix G – Summary of the Indenture” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2021 Bonds

The Series 2021 Bonds will be special obligations of the Issuer and each Series 2021 Bond when duly issued and paid for will constitute a contract between the Issuer and the holder thereof. The principal, interest and redemption premium, if any, on the Series 2021 Bonds are payable solely from the payments to be made by the Library to the Issuer pursuant to the Loan Agreement. Neither the Issuer nor its members, directors or officers are personally liable with respect to the Series 2021 Bonds. Accordingly, no financial information with respect to the Issuer, its members, directors or officers has been included in this Official Statement.

The Loan Agreement is a general obligation of the Library and obligates the Library to make payments on account of the principal, interest and redemption premium, if any, on the Series 2021 Bonds as the same are due and payable from time to time. Pursuant to the Loan Agreement, the Issuer will credit the amount of the Annual Tax paid by the Town to the Fiscal Agent against the obligation of the Library to make payments under the Loan Agreement. In accordance with the terms of the Fiscal Agency Agreement, the Library has assigned its right, title and interest in such Annual Tax to the Fiscal Agent for the benefit of the holders from time to time of the Series 2021 Bonds.

The Issuer will grant a security interest in and pledge, assign, transfer and set over to the Trustee any moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Loan Agreement (except for the Issuer's Unassigned Rights). In addition, the Fiscal Agent shall assign to the Trustee all of its rights under the Fiscal Agency Agreement.

Fiscal Agency Agreement

The Issuer, the Library, the Town and the Fiscal Agent will, simultaneously upon issuance of the Series 2021 Bonds, enter into the Fiscal Agency Agreement. Pursuant to the Fiscal Agency Agreement, the Library will direct the Town to pay the Annual Tax directly to the Fiscal Agent and the Library will assign to the Fiscal Agent, for the benefit of the holders of the Series 2021 Bonds from time to time, the Library's right, title and interest in the Annual Tax, for the limited purpose of making payments of interest, principal and redemption premium, if any, on the Series 2021 Bonds to the holders of the Series 2021 Bonds. Under the Fiscal Agency Agreement, the Library will agree that, until the Series 2021 Bonds have been paid in full or provision therefor made, the Library will not request the Town to, or, to the extent permitted by law, permit the Town to, submit to the qualified voters of the Town a proposition to reduce the Annual Tax to an amount less than necessary to pay principal, interest and redemption premium, if any, on the Series 2021 Bonds then outstanding.

Under the Fiscal Agency Agreement, the Town has agreed, to the extent permitted by law, to cause to be levied the Annual Tax in accordance with the requirements of State law and, so long as the Library is bound by its assignment of the Annual Tax to the Fiscal Agent, to pay the Annual Tax directly to the Fiscal Agent promptly upon receipt thereof by the Town. The Fiscal Agency Agreement provides that the Town shall have the right to terminate its obligations under the Fiscal Agency Agreement on not less than sixty (60) days prior written notice to the Library and the Fiscal Agent. The Town's statutory obligation to remit the Annual Tax to the Library will not be affected in the event the Town terminates its contractual obligation to remit the Annual Tax to the Fiscal Agent under the Fiscal Agency Agreement.

The Fiscal Agent will transfer any monies being all or part of any Annual Tax to the Trustee for deposit into the Bond Fund in an amount sufficient to pay interest, principal and premium, if any, that is due and payable on the Series 2021 Bonds during the then current Fiscal Year, after taking into account the amount, if any, on deposit in the Bond Fund, as such monies are paid to it by the Town. The Trustee will invest such monies as set forth in the Fiscal Agency Agreement until such time as such monies are required for the timely payment of interest, principal and redemption premium, if any, on the Series 2021 Bonds. Upon receipt of the proceeds of the Annual Tax, the Fiscal Agent shall pay to the Library the amount of Annual Tax proceeds, if any, in excess of the amount required to be deposited into the Bond Fund, after deducting therefrom the fees and expenses of the Fiscal Agent. At the time such payments are required to be made, the Fiscal Agent shall, without additional instruction or directions from the Issuer, the Library or the Town, make such payments of interest, principal and premium, if any on the Series 2021 Bonds on the dates and as and when the same become due and payable. For additional information with respect to the Fiscal Agency Agreement (See "Appendix E - Form of the Fiscal Agency Agreement" herein.)

The Fiscal Agency Agreement Assignment

The Fiscal Agent shall assign to the Trustee all of its rights under the Fiscal Agency Agreement pursuant to the terms of a certain Pledge and Assignment (Fiscal Agency Agreement) with an Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Fiscal Agent to the Trustee (the "Fiscal Agency Agreement Assignment").

The Loan Agreement

Pursuant to the Loan Agreement, the Library will be obligated to make payments sufficient to pay the principal of, interest and redemption premium, if any, on the Series 2021 Bonds when due. Also pursuant to the Loan Agreement, the Issuer will agree that the Annual Tax payments received by the Fiscal Agent will be a credit against the Library's obligation to make payments under the Loan Agreement. Pursuant to the Fiscal Agency Agreement, the Library will assign its right, title and interest in the Annual Tax to the Fiscal Agent for the benefit of the holders of the Series 2021 Bonds. The Library's obligations under the Loan Agreement will be and remain in effect for as long as the Series 2021 Bonds are outstanding. For more detailed information with respect to the Loan Agreement, see "Appendix F – Summary of the Loan Agreement" herein.

The Loan Agreement Assignment

Simultaneously with the issuance of the Series 2021 Bonds, the Issuer and the Trustee will enter into a Pledge and Assignment (Loan Agreement) with an Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Issuer to the Trustee (the "Loan Agreement Assignment"). The Issuer will grant a security interest in and pledge, assign, transfer and set over to the Trustee any moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Loan Agreement (except for the Issuer's Unassigned Rights). Pursuant to the Loan Agreement Assignment, the Issuer will appoint the Trustee as its true and lawful attorney, with power of substitution, and the Issuer will further ratify and confirm the Loan Agreement. The Loan Agreement Assignment will be binding on the Issuer for the benefit of the Trustee acting on behalf of the owners of the Series 2021 Bonds.

Security for the Series 2021 Bonds

As security for the Series 2021 Bonds, pursuant to the Fiscal Agency Agreement the Library will pledge and assign the Annual Tax to the Fiscal Agent for the benefit of the holders of the Series 2021 Bonds. The Series 2021 Bonds will also be secured by a pledge of the proceeds of the sale of the Series 2021 Bonds (until disbursed as provided in the Indenture) and all funds and accounts held by the Trustee under the Indenture (except the Rebate Fund), and by the pledge and assignment of the Issuer's interest (other than the Issuer's Unassigned Rights) in the Loan Agreement to the Trustee pursuant to the Loan Agreement Assignment. Pursuant to the terms of the Indenture, the funds and accounts established by the Indenture secure only the Series 2021 Bonds and do not secure any other series of bonds that may be issued by the Issuer.

Neither the State, the Town, the County nor any other political subdivision of the State, other than the Issuer, shall be liable on the Series 2021 Bonds. The Series 2021 Bonds do not constitute a debt or indebtedness of the State, the Town, the County or any other political subdivision of the State and shall not constitute or give rise to a pecuniary liability of the Town or a charge against the Town's general credit or taxing power. The Issuer has no taxing authority.

Although the Library receives annual support from West Genesee Central School District, Onondaga Central School District and Westhill Central School District (collectively, the "Districts"), the Districts are not a party to the Fiscal Agency Agreement and revenues received by the Library from the Districts are not pledged to secure the Series 2021 Bonds.

Pledged Revenues - The Annual Tax

Pursuant to State Law, the Library's board of trustees may petition the Town to place a lawful proposition on the Town ballot, including a proposition seeking voter approval of an ad valorem tax levy on all taxable real property on the Town in order to raise funds for Library purposes. The Town Board of the Town is obligated to place such proposition on the ballot. If the funding proposition is approved by a majority of the qualified voters, the amount approved is considered as annual appropriations for Library purposes until changed by further vote and shall be levied and collected annually by the Town. In the event of a defeat of the funding proposition by a majority of the qualified voters, the Library's appropriation reverts to the previous year's approved budget.

If, in a subsequent year, the Library desires an increase in the Annual Tax it may request the Town to submit to the voters a proposition for an increase in the Annual Tax. If the Town voters do not approve the increase, the amount of the Annual Tax levy remains at the prior amount previously approved by the Town voters.

The Library has agreed in the Fiscal Agency Agreement that it will not at any time until the Series 2021 Bonds have been fully paid or provision therefor made, request the Town to submit to the qualified District voters a proposition to reduce the Annual Tax to an amount less than that necessary to annually pay the principal, interest and redemption premium, if any, on the Series 2021 Bonds then outstanding.

The minimum amount of the Annual Tax required each year to pay debt service on the Series 2021 Bonds is to be provided as an appendix to the Fiscal Agency Agreement. It is the responsibility of the Library to verify that such minimum amount or any larger required amount has been or will be included as part of the annual real property tax levy by the Town.

At the Town's general election held on November 6, 2007, the Town voters approved a proposition which increased the Annual Taxes by \$275,000 to \$475,000. In November of 2016 the Town's voters approved a subsequent proposition to increase the Annual Taxes to \$700,000 to provide sufficient funds to pay the annual debt service on the Series 2021 Bonds and increased operating expenses for the Project Facility.

By law, the Town is required to keep the Annual Tax proceeds as a separate library fund, and must pay the Annual Tax proceeds to the Library upon the written demand of the Library trustees. Pursuant to the Fiscal Agency Agreement (a) the Library has assigned the Annual Tax proceeds to the Fiscal Agent as security for the Series 2021 Bonds, and (b) the Town has agreed to pay the Annual Tax receipts directly to the Fiscal Agent promptly upon receipt thereof by the Town for so long as the Town is bound by its assignment of the Annual Tax to the Fiscal Agent.

The Series 2021 Bonds are not a direct or indirect debt of the Town, the Districts or the County and the Town, the Districts and the County DO NOT have any liability with respect to the Series 2021 Bonds.

THE ISSUER

The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and existing under Section 1411 of the Not-for-Profit Corporation Law of the State, as amended (the "Act"), having an office for the transaction of business at 333 West Washington Street, Syracuse, New York 13202. The Issuer has the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest in furtherance of the foregoing. The Issuer is further authorized to lease and sell any or all of its facilities, to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and

redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon. The Issuer is also authorized to make grants and loans in furtherance of its purposes.

The Issuer has no power of taxation.

The County Executive of Onondaga County, ex officio, is the sole member of the Issuer. The Issuer is managed by its Board of Directors. The Board of Directors of the Issuer is composed of three (3) voting Directors appointed by the Chairman of the Onondaga County Legislature and three (3) voting Directors appointed by the County Executive. One of the director positions appointed by the Chairman of the Onondaga County Legislature is currently vacant. One (1) additional voting director is jointly appointed by a majority of the Onondaga County Legislature and the County Executive, but that seat is also vacant. The names of the current members of the Board of Directors of the Issuer are as follows:

<u>Name</u>	<u>Position</u>	<u>Name</u>	<u>Position</u>
Michael LaFlair	Chairperson	Kevin Kuehner	Director
Kimberly Townsend	Director	Alison Miller	Director
Mitchell Latimer	Director		

The President/CEO, Secretary and Treasurer of the Issuer are appointed by the Board of Directors of the Issuer. The President/CEO of the Issuer is Robert M. Petrovich, the Secretary of the Issuer is Carolyn Evans-Dean and the Treasurer of the Issuer is Nathaniel Stevens.

The Series 2021 Bonds are special obligations of the Issuer, payable solely as provided in the Indenture.

NO COVENANT OR AGREEMENT CONTAINED IN THE SERIES 2021 BONDS OR IN THE APPLICABLE BOND INDENTURE OR THE APPLICABLE LOAN AGREEMENT, OR IN ANY DOCUMENT CONNECTED THEREWITH SHALL BE DEEMED TO BE THE COVENANT OR AGREEMENT OF ANY MEMBER, DIRECTOR, OFFICER, AGENT OR EMPLOYEE OF THE ISSUER IN HIS/HER INDIVIDUAL CAPACITY. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL, SINKING FUND REDEMPTION AMOUNT OR REDEMPTION PRICE OF, OR THE INTEREST ON, THE SERIES 2021 BONDS OR FOR ANY CLAIM BASED THEREON OR ON THE BOND INDENTURE OR THE LOAN AGREEMENT, AGAINST ANY MEMBER, DIRECTOR, OFFICER, AGENT OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE ISSUER, OR OF ANY SUCCESSOR CORPORATION, AS SUCH, EITHER DIRECTLY, OR THROUGH THE ISSUER OR ANY SUCH SUCCESSOR CORPORATION, WHETHER BY VIRTUE OF ANY CONSTITUTIONAL PROVISION, STATUTE, OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY OF SUCH MEMBERS, DIRECTORS, OFFICERS, AGENTS OR EMPLOYEES, BEING RELEASED AS A CONDITION OF, AND AS CONSIDERATION FOR, THE EXECUTION AND DELIVERY OF THE SERIES 2021 BONDS AND THE APPLICABLE BOND INDENTURE.

THE SERIES 2021 BONDS ARE NEITHER A GENERAL OBLIGATION OF THE ISSUER, NOR A DEBT OR INDEBTEDNESS OF ONONDAGA COUNTY, THE TOWN OF ONONDAGA OR THE STATE OF NEW YORK AND NEITHER ONONDAGA COUNTY, THE TOWN OF ONONDAGA NOR THE STATE OF NEW YORK WILL BE LIABLE THEREON.

THE LIBRARY

General Information

The Library is a free association library chartered by the New York State Education Department to serve the residents of the Town. The Library is an independent corporate body and is exempt from federal income tax pursuant to Internal Revenue Code Section 501(c)(3). The chartered service area of the Library is the Town of Onondaga and the portion of the Westhill School District within the Town of Geddes.

The Library serves roughly 8,553 households in the Town of Onondaga. In 2020, the Library circulated more than 178,000 items and loaned over 42,000 items to other local libraries. The Library generated over \$1,114,916 in revenues in 2020. Of this amount, \$700,000 came from the Annual Tax levied by the Town on behalf of the Library, \$312,000 came from West Genesee Central School District, Onondaga Central School District and Westhill Central School District (collectively referred to herein as the “Districts”) and the balance of \$102,916 was derived from fines, interest income, employee retention credits, state and federal grants and fundraising efforts.

At the Town’s general election held on November 6, 2007, the Town voters approved a proposition which increased the Annual Taxes by \$275,000 to \$475,000. In November of 2016 the Town’s voters approved a subsequent proposition to increase the Annual Taxes to \$700,000 to provide sufficient funds to pay the annual debt service on the Series 2021 Bonds and increased operating expenses for the Project Facility.

The Library has no independent power of taxation. Funding for the Library is primarily derived from real property taxes levied and collected by the Town on behalf of the Library, exclusively for library purposes, on all non-exempt real property located within the Town. Although revenues of the Library are derived from real property taxes levied and collected by the Town as part of the Town's total property tax levy, the Education Law requires that propositions for Library funding must be submitted to Town voters on a separate ballot, independent of propositions for Town funding. If the Library wishes to increase the amount of the annual tax for Library purposes, the Town must submit a proposition to the Town voters. If a majority of the Town voters do not approve the proposed increase, the amount of the tax levy remains at the previous year's levy. Referenda for Library funding must be approved by the qualified voters of the Town if the Library wishes to increase the amount to be collected by taxation as compared with the prior year.

The Library and the Town are independent entities, are governed by independent governing boards and have independent financing powers under State Law. The fiscal year of the Library ends December 31st.

The Library has no taxing power. The Series 2021 Bonds will not be a debt of the Town nor will the Town be liable thereon.

Governance

The Board of Trustees of the Library consists of 9 members, elected by the Board of Trustees of the Library for two-year terms on a staggered basis. The maximum consecutive term is six years (three terms). The Board currently meets eight times per year or more frequently as required.

Administration

Day to day operations of the Library are supervised by the Library Director. The Director acts as chief administrative officer of the Library, as liaison to Board and services all administrative and financial functions of the Library. The Treasurer, who is selected from among the Trustees at the March meeting of the Board of Trustees, is the chief financial officer of the Library.

Budget Process

The current year-to-date financial statements are reviewed by the Treasurer and Director as a basis for the upcoming year. Year-to-date discrepancies are discussed with the Director on an ongoing basis, which aids in the budgetary process. The Director is provided with a budget format and prepares initial budgeted expenses. The Director and the Treasurer review the budget and the related support for line items as prepared by the Director. Major areas such as payroll, books, DVDs and related collection items, etc. are reviewed in detail. The Director mainly budgets controllable expenses (costs influenced directly by him or her). Other overhead/operating costs such as utilities, insurances, etc. are determined primarily by the Director. If a budget excess of expenses over revenues results, the budget is again reviewed for possible cutbacks. To the extent expenses cannot be reduced and/or revenues increased, the budget deficit is justified and reconciled as to where the shortfall can be funded.

The Director also generates certain revenue amounts in the budget such as revenues received from the Districts, support received from Onondaga County and the fine and fund raising budget line items.

Once the Director and Treasurer have completed their joint review and approval, the Director prepares a budget for distribution to the Board of Trustees for input and questions. The budget, updated for any Trustee changes, is presented at the March meeting for approval by the Board of Trustees.

Employees

The Library currently employs 20 staff members, all under the supervision of the Director, of whom 15 are part time and there are no volunteers. The Library does not have collective bargaining contracts with such employees.

Finances of the Library

The financial statements of the Library as of and for the years ended December 31, 2020 and 2019, included in Appendix A to this Official Statement, have been audited by Bonadio & Co., LLP, independent auditors, as stated in their report appearing in Appendix A of this Official Statement.

Fund Structure and Accounts

The General Fund is the general operating fund for the Library and is used to account for substantially all revenues and expenditures of the Library. The Library also maintains a Capital Repair, Maintenance and Replacement Fund.

Revenues and Expenditures

The Library receives roughly 63% of its general fund revenue from a real property tax on all non-exempt real property situated within the Town which is levied and collected by the Town. Approximately 28% of the Library's general fund revenue is derived from the Districts and the balance is derived from fines, state grants and fundraising efforts. The major categories of Library general fund expenditures are salaries, fringe benefits and library materials and services.

The revenues and expenditures of the Library are determined by the annual operating budget proposed by the Director to the Library Board of Trustees. Any change in the budget requiring an increase in the amount to be collected by taxation is subject to referendum by the qualified voters of the Town or by referendum approved by the Districts' voters. The Library's Board of Trustees determines how much to request in the referendum and whether to pursue a petition-based Town referendum method or exercise the Library's statutory right to present a referendum to the Districts' voters. The Library monitors its revenues and expenditures in order to adhere to its operating budgets. The Library does not amortize any of its capital acquisitions against income. Accordingly, in some years, it may expend funds for capital items, which may result in a deficit, but, have been historically

funded from the Capital Repair, Maintenance and Replacement Fund account resulting in no deficit. Deficits may also arise from unanticipated and emergency expenditures. Budgets are created based on good faith estimates of revenues and expenditures, which estimates may be incorrect.

Capital Project Plans

The Library intends to undertake an LED lighting upgrade project in the near future which has an estimated cost of \$75,000. The Library expects to finance the lighting project with a grant from New York State in the approximate amount of \$60,000 and the balance to be paid from available monies. Other than the LED lighting project, the Library presently has no other capital projects contemplated in the foreseeable future.

THE TOWN

The Town encompasses 58.8 square miles within the County of Onondaga in the central region of upstate New York. See “APPENDIX C - Certain Information Concerning the Town” and “APPENDIX B – Audited Financial Statements of the Town” as of and for the years ended December 31, 2020 and 2019.” The Series 2021 Bonds are payable from the Annual Tax levied on taxable real property in the Town. Therefore, the descriptive, economic and demographic information set forth in Appendices B and C is relevant to both the Library and the Town. **The Series 2021 Bonds are not obligations of the Town and the Town has no liability for principal, interest or other amounts owed with respect to the Series 2021 Bonds.**

INDEPENDENT AUDITORS

The financial statements of the Library as of and for the years ended December 31, 2020 and 2019, included in Appendix A to this Official Statement, have been audited by Bonadio & Co., LLP, independent auditors, as stated in their report appearing in Appendix A of this Official Statement.

The financial statements of the Town as of and for the years ended December 31, 2020 and 2019, included in Appendix B to this Official Statement, have been audited by F. J. Pompo & Company, P.C., independent auditors, as stated in their report appearing in Appendix B of this Official Statement.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the Library and the Town will both enter into separate continuing disclosure undertaking agreements, descriptions of which are attached hereto as “APPENDIX – H”.

Historical Continuing Disclosure Compliance - Library

The Library has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule.

Historical Continuing Disclosure Compliance - Town

The Town has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule.

RISKS TO BONDHOLDERS

Purchase of the Series 2021 Bonds involves a degree of risk. Prospective purchasers of the Series 2021 Bonds should give careful consideration to the matters referred to in the following summary as well as to other information set forth in this Official Statement. The discussion herein of risks to holders of the Series 2021 Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended only to summarize certain matters which could affect payment on the Series 2021 Bonds. Holders of the Series 2021 Bonds should be aware that other potential risks and factors could adversely affect the Library's ability to make payments on the Loan Agreement. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Town and the Library as well as the market for the Series 2021 Bonds could be affected by a variety of factors, some of which are beyond the control of the Town and the Library. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Series 2021 Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Library to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Series 2021 Bonds could be adversely affected.

A significant portion of revenue is received from the Town of Onondaga as well as through budget approvals through the Onondaga, West Genesee, and Westhill central school districts. Decreases in revenue from these funding sources could have a potential impact on the continuation of program services.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town.

Under the Fiscal Agency Agreement, the Town has agreed, to the extent permitted by law, to cause to be levied the Annual Tax in accordance with the requirements of State law and, so long as the Library is bound by its assignment of the Annual Tax to the Fiscal Agent, to pay the Annual Tax directly to the Fiscal Agent promptly upon receipt thereof by the Town. The Fiscal Agency Agreement provides that the Town shall have the right to terminate its obligations under the Fiscal Agency Agreement on not less than sixty (60) days prior written notice to the Library and the Fiscal Agent.

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town's financial condition. These factors may have an effect on the market price of the Series 2021 Bonds.

The remedies available to the holders of the Series 2021 Bonds, upon an event of default under the Indenture or other documents described herein, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, affect the payment rights of Bondholders and the remedies specified by the federal bankruptcy laws, the Indenture and the various documents referred to herein may not be readily available or may be limited. The legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to enforceability of the legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally.

Amendments to the Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Series 2021 Bonds and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Series 2021 Bonds (See “TAX MATTERS” herein).

COVID-19. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread globally, including the United States, and to New York State, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York likewise declared a state of emergency and the Legislature added “disease outbreak” to the definition of “disaster” (which already includes “epidemic”) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020. In June of 2021 the State of New York ended the state of emergency.

In response to COVID-19, the Library incurred \$27,712 in expenditures during 2020 for health, safety, and technology improvements, including HVAC upgrades, Plexiglas at all service desks, and sensor faucets and lighting in the restrooms. In March 2021, the Library entered into a five-year unsecured promissory note payable to a bank in the amount of \$96,860. This note was entered into by the Library as part of the Paycheck Protection Program (PPP). The PPP provides for this borrowing, or a portion of the borrowing, to be forgiven to the extent the Library meets eligibility and defined requirements related to expenditure of the funds. If no forgiveness is granted, the loan requires aggregate monthly payments, including interest at 1%, starting at the earlier of ten months from the end of the 24-week covered period or the determination by the Small Business Administration

While the outbreak of COVID-19 might affect revenue streams supporting revenue bond debt of some public authorities, as compared to general obligation debt, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same. The degree of any such impact to the Town’s operations and finances and the Library’s operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact.

No Obligation of State or District. The Series 2021 Bonds are not obligations of the State, the Districts, the County or the Town and neither the State, the County nor the Town has any liability thereunder. The Series 2021 Bonds are special obligations of the Issuer payable solely from the sources described in this Official Statement.

No Taxing Power. The Issuer is a corporate governmental body and a public benefit corporation existing under New York law. The Issuer has no taxing authority.

Cybersecurity. The Town and the Library, like many other public and private entities, rely on technology to conduct their respective operations. As recipients and providers of personal, private, or sensitive information, both entities face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. No assurances can be given that such security and operational control measures implemented would be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town and/or Library digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

The Issuer

There is not now pending nor, to the knowledge of the Issuer, threatened any litigation questioning or affecting the validity of the Series 2021 Bonds or the proceedings or authority under which the Series 2021 Bonds were issued. Neither the creation, organization nor existence of the Issuer nor the title of any of the present members or other officers of the Issuer to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Issuer to execute and deliver the Indenture or the Loan Agreement.

The Library

There is not now pending nor, to the knowledge of the Library, threatened any litigation restraining or enjoining the execution or delivery of the Financing Documents to which the Library is a party or questioning or affecting the validity of such documents or the proceedings or authority under which such documents were authorized or delivered. Neither the creation, organization nor existence of the Library nor the title of any of the present members or other officers of the Library to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Library to enter into the Financing Documents to which the Library is a party or which would have a material adverse effect on the ability of the Library to meet its obligations under the Loan Agreement or the Fiscal Agency Agreement.

The Town

There is not now pending nor, to the knowledge of the Town, threatened any litigation restraining or enjoining the execution or delivery of the Financing Documents to which the Town is a party or questioning or affecting the validity of such documents or the proceedings or authority under which such documents were authorized or delivered. Neither the creation, organization nor existence of the Town nor the title of any of the present members or other officers of the Town to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Town to enter into the Financing Documents to which the Town is a party or which would have a material adverse effect on the ability of the Town to meet its obligations under the Fiscal Agency Agreement.

TAX MATTERS

Series 2021A Bonds

Federal Income Taxes

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, and subject to the limitations set forth below, under existing statutes, regulations, administrative rulings and court decisions as of the date of such opinion, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code and is not an “item of tax preference” for purposes of computing the federal alternative minimum tax imposed on individuals.

Certain of the Series 2021 Bonds (“*Premium Bonds*”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on

the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement, who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the existence of bond premium, the determination for federal income tax purposes of the amount of bond premium properly accruable or amortizable in any period with respect to Premium Bonds, other federal tax consequences in respect of bond premium, and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2021 Bonds in order that interest on the Series 2021 Bonds be and remain excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. These continuing requirements include certain restrictions and prohibitions on the use of the proceeds of the Series 2021 Bonds and the Project, restrictions on the investment of proceeds and other amounts and the rebate to the United States of certain earnings in respect of such investments. Failure to comply with such continuing requirements may cause the interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021 Bonds, irrespective of the date on which such noncompliance occurs. In the Indenture, the Loan Agreement, the Tax Compliance Agreement, and accompanying documents, the Issuer and the Institution have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinion of Bond Counsel described above is made in reliance upon, and assumes continuing compliance with, such covenants and procedures and the continuing accuracy, in all material respects, of such representations and certifications.

Bond Counsel expresses no opinion regarding any other federal income tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2021 Bonds. The proposed form of opinion of Bond Counsel is attached hereto as "APPENDIX H."

In addition to the matters referred to in the preceding paragraphs, prospective purchasers of the Series 2021 Bonds should be aware that the accrual or receipt of interest on the Series 2021 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences may depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Examples of such other federal income tax consequences of acquiring or holding the Series 2021 Bonds include, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Series 2021 Bonds, (ii) interest on the Series 2021 Bonds earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposed by the Code, (iii) passive investment income, including interest on the Series 2021 Bonds, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain other federal retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Series 2021 Bonds. In addition, the Code denies the interest deduction for indebtedness incurred or continued by a taxpayer, including, without limitation, banks, thrift companies, and certain other financial companies to purchase or carry tax-exempt obligations, such as the Series 2021 Bonds. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors regarding any possible collateral consequences with respect to the Series 2021 Bonds.

Certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement, the Tax Compliance Agreement, and other relevant documents may be changed, and certain actions may be taken or omitted subsequent to the date of issue, under the circumstances and subject to the terms and conditions set forth

in such documents or certificates, upon the advice of or with the approving opinion of a nationally recognized bond counsel. Bond Counsel expresses no opinion as to any tax consequences with respect to the Series 2021 Bonds, or the interest thereon, if such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Harris Beach PLLC.

State Income Taxes

In the opinion of Bond Counsel, under existing law as of the date of the issuance of the Series 2021 Bonds, for so long as interest on the Series 2021 Bonds is and remains excluded from gross income for federal income tax purposes, such interest is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. Noncompliance with any of the federal income tax requirements set forth above resulting in the interest on the Series 2021 Bonds being included in gross income for federal tax purposes would also cause such interest to be subject to personal income taxes imposed by the State of New York and any political subdivision thereof.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2021 Bonds.

Interest on the Series 2021 Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion as to the tax treatment of the Series 2021 Bonds under the laws of such other state or local jurisdictions. Each purchaser of the Series 2021 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2021 Bonds in a particular jurisdiction other than the State of New York.

Other Considerations

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or omitted) or any events occurring (or not occurring) after the date of issuance of the Series 2021 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021 Bonds.

No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Series 2021 Bonds to be subject to federal or State income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Series 2021 Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Series 2021 Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the foregoing matters.

All quotations from and summaries and explanations of provisions of law do not purport to be complete, and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2021 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THESE AND OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE SERIES 2021 BONDS.

Series 2021B Bonds

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes and is subject to personal income taxes imposed by the State of New York and any political subdivision thereof.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the 2021B Bonds.

Interest on the Series 2021B Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Series 2021B Bonds under other state or local jurisdictions. Each purchaser of the Series 2021B Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2021B Bonds in a particular state or local jurisdiction other than the State of New York.

General

The following discussion summarizes certain United States (“U.S.”) federal tax considerations generally applicable to holders of the Series 2021B Bonds that acquire the Series 2021B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, and any such change could have retroactive effect. Prospective investors should also note that no rulings have been or are expected to be sought from the Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to categories of investors some of which may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders), such as certain U.S. expatriates, financial institutions, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, persons holding the Series 2021B Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences or (ii) the indirect effects on persons who hold equity interests in a holder. In addition, this summary generally is limited to investors that acquire the Series 2021B Bonds pursuant to this initial offering for the issue price that is applicable to such Series 2021B Bonds (i.e., the price at which a substantial amount of the Series 2021B Bonds are sold to the public) and who will hold the Series 2021B Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Series 2021B Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust).

As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series 2021B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2021B Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2021B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2021B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

Interest on Series 2021B Bonds. Payments of interest on the Series 2021B Bonds will be included in gross income for U.S. federal income tax purposes by a U.S. Holder as ordinary income at the time the interest is paid or accrued in accordance with the U.S. Holder’s regular method of accounting for tax purposes, provided such interest is “qualified stated interest,” as defined below.

Disposition of Series 2021B Bonds. Except as discussed above, upon the sale, exchange, redemption or retirement of a Series 2021B Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or retirement (other than amounts representing accrued and unpaid interest) of such Series 2021B Bond and such U.S. Holder's adjusted tax basis in such Bond. A U.S. Holder's adjusted tax basis in a Series 2021B Bond generally will equal such U.S. Holder's initial investment in the Series 2021B Bond increased by accrued market discount, if any, if the U.S. Holder has included such market discount in income, and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such Series 2021B Bond. Such gain or loss generally will be long-term capital gain or loss if the Series 2021B Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Non-U.S. Holders

A Non-U.S. Holder who is an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series 2021B Bonds on its own behalf will not be subject to U.S. federal income tax on payments of principal of, or premium (if any), or interest (including original issue discount, if any) on Series 2021B Bonds, unless the Non-U.S. Holder is a bank receiving interest described in Section 881(c)(3)(A) of the Code. To qualify for the exemption from taxation, the Withholding Agent, as defined below, must have received a statement from the individual or corporation that:

- (a) is signed under penalties of perjury by the beneficial owner of the Series 2021B Bonds,
- (b) certifies that the owner is not a U.S. holder, and
- (c) provides the beneficial owner's name and permanent residence address.

A "Withholding Agent" is the last U.S. payor (or non-U.S. payor who is a qualified intermediary, U.S. branch of a foreign person or withholding foreign partnership) in the chain of payment prior to payment to a non-U.S. holder (which itself is not a Withholding Agent). Generally, this statement is made on an IRS Form W-8BEN ("W-8BEN"), which is effective for the remainder of the year of signature plus three full calendar years thereafter, unless a change in circumstances makes any information on the form incorrect. Notwithstanding the preceding sentence, a Form W-8BEN with a U.S. taxpayer identification number will remain effective until a change in circumstances makes any information on the form incorrect, provided the Withholding Agent reports at least annually to the beneficial owner on IRS Form 1042-S. The beneficial owner must inform the Withholding Agent within 30 days of any change and furnish a new Form W-8BEN. A Non-U.S. Holder that is not an individual or corporation (or an entity treated as a corporation for U.S. federal income tax purposes) holding Series 2021B Bonds on its own behalf may have substantially increased reporting requirements. In particular, in the case of Series 2021B Bonds held by a foreign partnership or foreign trust, the partners or beneficiaries rather than the partnership or trust will be required to provide the certification discussed above, and the partnership or trust will be required to provide certain additional information.

A Non-U.S. Holder of Series 2021B Bonds whose income from such Series 2021B Bonds is effectively connected with the conduct of a U.S. trade or business generally will be taxed as if the holder were a U.S. Holder, provided the holder furnishes to the Withholding Agent a Form W-8ECI.

Certain securities clearing organizations, and other entities that are not beneficial owners may be able to provide a signed statement to the Withholding Agent. In that case, however, the signed statement may require a copy of the beneficial owner's Form W-8BEN (or substitute form).

Generally, a Non-U.S. Holder will not be subject to U.S. federal income tax on any amount that constitutes capital gain upon retirement or disposition of Series 2021B Bonds, unless the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the retirement or

disposition of such Series 2021B Bonds, and that gain is derived from sources within the United States. Certain other exceptions may apply, and a Non-U.S. Holder in these circumstances should consult his tax advisor.

Series 2021B Bonds will not be includible in the estate of a Non-U.S. Holder unless, at the time of the decedent's death, income from such Series 2021B Bonds was effectively connected with the conduct by the decedent of a trade or business in the United States.

Information Reporting and Backup Withholding

Backup withholding of U.S. federal income tax may apply to payments made in respect of the Series 2021B Bonds to registered owners who are not "exempt recipients" and who fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Payments made in respect of the Series 2021B Bonds to a U.S. Holder must be reported to the IRS, unless U.S. Holder is an exempt recipient or establishes an exemption. Compliance with the identification procedures described in the preceding section would establish an exemption from backup withholding for those Non-U.S. Holders who are not exempt recipients.

In addition, upon the sale of a Series 2021B Bond to (or through) a broker, the broker must report the sale and withhold the entire purchase price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller certifies that such seller is a Non-U.S. Holder (and certain other conditions are met). Certification of the registered owner's Non-U.S. status would be made normally on an IRS Form W-8BEN under penalties of perjury, although in certain cases it may be possible to submit other documentary evidence.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2021B BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THESE AND OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE SERIES 2021B BONDS.

Attached to this Official Statement as APPENDIX I and made a part hereof is the form of approving opinion of Bond Counsel.

LEGAL MATTERS

The legality of the authorization and issuance of the Series 2021 Bonds will be covered by the unqualified legal opinion of Harris Beach PLLC, Bond Counsel, Syracuse, New York. The proposed form of such opinion is attached hereto as Appendix I. Certain legal matters will be passed upon for the Library by its counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Issuer by its counsel, Harris Beach PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York.

UNDERWRITING

Robert W. Baird & Co. Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2021 Bonds from the Issuer. The Underwriter's obligations are subject to certain conditions precedent, and, if these conditions are met, the Underwriter will be obligated to purchase all the Series 2021 Bonds if any of the Series 2021 Bonds are delivered at a purchase price of \$ _____ which represents the par amount of the Series 2021 Bonds plus a premium of \$[_____] less the Underwriter's Discount of \$[_____]. The Series 2021 Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into unit investment trusts) at prices lower than the public offering prices as set forth on the cover page hereof. The

initial public offering prices may be changed from time to time by the Underwriter.

RATINGS

Fitch Ratings Inc. (“Fitch”) has assigned its rating of “AA-” to the Series 2021 Bonds. The rating reflects only the view of Fitch, and any desired explanation of the significance of such rating should be obtained from Fitch, 33 Whitehall Street, New York, New York 10004.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Series 2021 Bonds may have an adverse effect on the market price of the Series 2021 Bonds. The Underwriter has undertaken no responsibility either to bring to the attention of the holders of the Series 2021 Bonds any proposed revision or withdrawal of the rating of the Series 2021 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating, or either of them, could have an adverse effect on the market price of the Series 2021 Bonds. Such rating should not be taken as a recommendation to buy or hold the Series 2021 Bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Series 2021 Bonds is to be construed as a contract with the holders of the Series 2021 Bonds.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

By: _____
Title: President/CEO

ONONDAGA FREE LIBRARY

By: _____
Title: Director

APPENDIX A

ONONDAGA FREE LIBRARY

**Financial Statements as of
December 31, 2020 and 2019
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

May 26, 2021

To the Board of Trustees of
Onondaga Free Library:

We have audited the accompanying financial statements of Onondaga Free Library (a New York State nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2020 and 2019, the related statements of revenues, expenses, and changes in net assets - modified cash basis, statement of functional expenses – modified cash basis and cash flows - modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets - modified cash basis of Onondaga Free Library as of December 31, 2020 and 2019 and the changes in its net assets - modified cash basis and its cash flows - modified cash basis for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

ONONDAGA FREE LIBRARY**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 883,143	\$ 947,961
Employee retention credit receivable	73,603	-
Current portion of right-of-use assets - operating leases	<u>1,001</u>	<u>957</u>
Total current assets	<u>957,747</u>	<u>948,918</u>
PROPERTY:		
Land	24,700	24,700
Building and improvements	3,371,813	3,302,584
Furniture and fixtures	426,249	400,947
Books and media	<u>1,078,151</u>	<u>986,227</u>
Total	4,900,913	4,714,458
Less: Accumulated depreciation	<u>2,250,041</u>	<u>2,080,451</u>
Property, net	<u>2,650,872</u>	<u>2,634,007</u>
RIGHT-OF-USE ASSETS - OPERATING LEASES, NET OF CURRENT	<u>85</u>	<u>1,087</u>
Total assets	<u>\$ 3,608,704</u>	<u>\$ 3,584,012</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Bonds payable, current portion	\$ 80,000	\$ 75,000
Current portion of lease liabilities - operating leases	<u>1,001</u>	<u>957</u>
Total current liabilities	<u>81,001</u>	<u>75,957</u>
LONG-TERM LIABILITIES:		
Bonds payable net of current portion	2,070,000	2,150,000
Lease liabilities - operating leases, net	<u>85</u>	<u>1,087</u>
Total long-term liabilities	<u>2,070,085</u>	<u>2,151,087</u>
Total liabilities	<u>2,151,086</u>	<u>2,227,044</u>
NET ASSETS:		
Without donor restrictions	1,455,918	1,319,843
With donor restrictions	<u>1,700</u>	<u>37,125</u>
Total net assets	<u>1,457,618</u>	<u>1,356,968</u>
Total liabilities and net assets	<u>\$ 3,608,704</u>	<u>\$ 3,584,012</u>

The accompanying notes are an integral part of these statements.

ONONDAGA FREE LIBRARY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND OTHER SUPPORT:						
Town allocation	\$ 700,000	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ 700,000
School district ballots	312,000	-	312,000	312,000	-	312,000
Other state/local grants	1,630	2,050	3,680	13,700	37,125	50,825
Fines and fees	6,485	-	6,485	19,337	-	19,337
Contributions and bequests	15,269	-	15,269	18,953	-	18,953
Interest income	1,089	-	1,089	7,860	-	7,860
Employee retention credit	73,603	-	73,603	-	-	-
Miscellaneous income	2,790	-	2,790	23,261	-	23,261
Net assets released from restrictions	<u>37,475</u>	<u>(37,475)</u>	<u>-</u>	<u>300</u>	<u>(300)</u>	<u>-</u>
Total operating revenues and other support	<u>1,150,341</u>	<u>(35,425)</u>	<u>1,114,916</u>	<u>1,095,411</u>	<u>36,825</u>	<u>1,132,236</u>
OPERATING EXPENSES:						
Program	960,587	-	960,587	962,651	-	962,651
Management and General	<u>53,679</u>	<u>-</u>	<u>53,679</u>	<u>47,388</u>	<u>-</u>	<u>47,388</u>
Total operating expenses	<u>1,014,266</u>	<u>-</u>	<u>1,014,266</u>	<u>1,010,039</u>	<u>-</u>	<u>1,010,039</u>
CHANGE IN NET ASSETS	136,075	(35,425)	100,650	85,372	36,825	122,197
NET ASSETS - beginning of year	<u>1,319,843</u>	<u>37,125</u>	<u>1,356,968</u>	<u>1,234,471</u>	<u>300</u>	<u>1,234,771</u>
NET ASSETS - end of year	<u>\$ 1,455,918</u>	<u>\$ 1,700</u>	<u>\$ 1,457,618</u>	<u>\$ 1,319,843</u>	<u>\$ 37,125</u>	<u>\$ 1,356,968</u>

The accompanying notes are an integral part of these statements.

ONONDAGA FREE LIBRARY

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 377,078	\$ 18,744	\$ 395,822
Employee benefits and payroll taxes	89,448	4,446	93,894
Professional fees	3,747	15,367	19,114
Travel	4,604	512	5,116
Dues and memberships	1,990	-	1,990
Promotion and development	1,589	-	1,589
Postage and shipping	-	278	278
Software and licenses	9,174	-	9,174
Rental expenses	1,025	114	1,139
Telecommunications	15,290	437	15,727
Circulation systems	10,678	1,186	11,864
Supplies	19,169	2,716	21,885
Utilities	13,100	374	13,474
Building and grounds maintenance	78,616	2,246	80,862
Insurance	10,859	310	11,169
Equipment repair and maintenance	47,912	1,369	49,281
Miscellaneous	80	-	80
Interest	109,100	3,117	112,217
Depreciation	<u>167,128</u>	<u>2,463</u>	<u>169,591</u>
Total	<u>\$ 960,587</u>	<u>\$ 53,679</u>	<u>\$ 1,014,266</u>

The accompanying notes are an integral part of these statements.

ONONDAGA FREE LIBRARY

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 393,078	\$ 15,484	\$ 408,562
Employee benefits and payroll taxes	77,691	3,060	80,751
Professional fees	3,753	14,162	17,915
Travel	6,791	755	7,546
Dues and memberships	1,355	-	1,355
Promotion and development	4,828	-	4,828
Postage and shipping	-	358	358
Software and licenses	8,636	-	8,636
Rental expenses	899	100	999
Telecommunications	23,275	665	23,940
Circulation systems	10,875	1,208	12,083
Supplies	23,092	2,100	25,192
Utilities	15,457	442	15,899
Building and grounds maintenance	76,997	2,200	79,197
Insurance	11,493	328	11,821
Equipment repair and maintenance	33,287	951	34,238
Interest	113,705	3,249	116,954
Depreciation	<u>157,439</u>	<u>2,326</u>	<u>159,765</u>
Total	<u>\$ 962,651</u>	<u>\$ 47,388</u>	<u>\$ 1,010,039</u>

The accompanying notes are an integral part of these statements.

ONONDAGA FREE LIBRARY

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 100,650	\$ 122,197
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	169,590	159,765
Change in employee retention credit receivable	<u>(73,603)</u>	<u>-</u>
Net cash flow from operating activities	<u>196,637</u>	<u>281,962</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property	<u>(186,455)</u>	<u>(97,792)</u>
Net cash flow from investing activities	<u>(186,455)</u>	<u>(97,792)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on bonds payable	<u>(75,000)</u>	<u>(75,000)</u>
Net cash flow from financing activities	<u>(75,000)</u>	<u>(75,000)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(64,818)	109,170
CASH AND CASH EQUIVALENTS - beginning of year	<u>947,961</u>	<u>838,791</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 883,143</u>	<u>\$ 947,961</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 112,217</u>	<u>\$ 116,954</u>

The accompanying notes are an integral part of these statements.

ONONDAGA FREE LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF ACTIVITIES

Onondaga Free Library (the Library) is a nonprofit organization that operates a public library in order to provide reading materials, reference information, internet, word processing access, and audio-visual resources to the community. The Library also serves as a community meeting place and cultural center. The Library provides various children's programs with an emphasis on preschool learning.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis differs from generally accepted accounting principles in that revenue is recognized when received rather than when promised or earned, and expenses are recognized when cash is disbursed rather than when the obligation is incurred. In addition, certain property is capitalized when purchased, long-term debt is recorded as a liability, the employee retention credit receivable is recorded as an asset, and right-of-use assets and leases liabilities are recorded for leases.

The Library reports information regarding its financial position and activities using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions include resources that are available for the support of the Library's operating activities.

- **Net Assets With Donor Restrictions**

Net assets with donor restrictions include resources that have been donated to the Library subject to restrictions as defined by the donor. The satisfaction of the restrictions is reflected as net assets released from restrictions in the statements of revenues, expenses, and changes in net assets – modified cash basis.

Net assets with donor restrictions of \$1,700 were restricted for technology purchases at December 31, 2020. Net assets with donor restrictions of \$37,125 were restricted for parking lot drainage improvements at December 31, 2019.

Cash and Cash Equivalents

Cash and cash equivalents includes all highly liquid investments with an original maturity of three months or less. The Library maintains cash accounts which at times exceed federally insured limits. The Library has not experienced losses in these accounts and does not believe it is exposed to significant risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Retention Credit Receivable

The employee retention credit (ERC) receivable is a refundable payroll tax credit calculated based on applicable 2020 wages that will be refunded in accordance with the provisions of the ERC program.

Property and Accumulated Depreciation

Purchased property is stated at cost less accumulated depreciation. The Library capitalizes all expenses for building and building improvements in excess of \$5,000. Books and media are capitalized on an annual basis at cost. Other purchased property is expensed when incurred. Maintenance and repairs are charged to expense when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from five to thirty-nine years.

Revenue

Substantially all of the Library's revenues are received from town allocations and school district ballots that have received voter approval. The ability of the Library to fulfill its mission is dependent upon the receipt of this funding. Under the modified cash basis of accounting, revenue is recognized when received.

The Library reports gifts as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of revenues, expenses, and changes in net assets - modified cash basis as net assets released from restrictions. The Library has adopted a policy whereby all support and revenue be recorded without donor restrictions if the restriction expires in the same reporting period as received.

Revenue Subject to ASC 606

ASU 2014-09 (ASC 606) was issued to clarify the principles for recognizing revenue, to remove inconsistencies in revenue recognition requirements, and to provide a more robust framework for determining the appropriate timing for revenue recognition. In accordance with the modified cash basis of accounting, fines and fees revenue is recognized when received and the performance obligation is considered satisfied at that time.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. There were no noncash donations for the years ended December 31, 2020 and 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Certain Expenses

The financial statements report certain categories of expenses that are attributable to program or supporting functions. Those expenses include payroll and benefits, depreciation and occupancy related costs, and other various expenses. Payroll and benefits are allocated based on time spent in the program or supporting function. Depreciation and occupancy related expenses are allocated based on square footage. Various other expenses are allocated by direct charge or estimated usage to the program or supporting function.

Income Tax Status

The Library is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Library has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(2) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

3. LIQUIDITY

The Library's financial assets available within one year of the statement of assets, liabilities, and net assets – modified cash basis date for general expenditure were as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 883,143	\$ 947,961
Employee retention credit receivable	<u>73,603</u>	<u>-</u>
Financial assets, at year end	956,746	947,961
Less those unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	<u>(1,700)</u>	<u>(37,125)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 955,046</u>	<u>\$ 910,836</u>

The Library has a goal to maintain financial assets on hand to meet normal operating expenses. The Library structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. BONDS PAYABLE

In January 2008, the Onondaga County Industrial Development Agency (OCIDA) issued Civic Facility Revenue Bonds, Series 2008 (the Series 2008 Bonds) with an aggregate principal amount of \$3,000,000. In January 2008, the Library entered into an agreement with OCIDA to obtain the funding received from the Series 2008 Bond issuance in order to renovate the building and land where the Library is located (Project Facility). Under the agreement, the Library renovated and constructed the Project Facility and provides payments of principal and interest to OCIDA. The interest rate on the bonds is 5.125% and interest is remitted semi-annually. Cash paid for interest on bonds payable during 2020 and 2019 was \$112,217 and \$116,954, respectively. The bonds are collateralized by all assets of the Library.

The Agreement for the Series 2008 Bonds requires the following principal payment schedule as of December 31, 2020:

2021	\$	80,000
2022		85,000
2023		90,000
2024		95,000
2025		100,000
Thereafter		<u>1,700,000</u>
Total	\$	<u>2,150,000</u>

5. LEASE COMMITMENTS

The Library leases a copier under an operating lease which expires in 2022. Rental expense was \$1,139 and \$999 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments are as follows:

2021	1,030
2022	<u>85</u>
Total lease payments	1,115
Less imputed interest	<u>(29)</u>
Total	<u>\$ 1,086</u>

Supplemental statement of assets, liabilities, and net assets – modified cash basis information related to leases was as follows at December 31:

	<u>2020</u>	<u>2019</u>
ROU assets – operating leases, current portion	\$ 1,001	\$ 957
ROU assets – operating leases, non-current portion	<u>85</u>	<u>1,087</u>
Total ROU assets – operating leases	<u>\$ 1,086</u>	<u>\$ 2,044</u>
Lease liabilities – operating leases, current portion	\$ 1,001	\$ 957
Lease liabilities – operating leases, non-current portion	<u>85</u>	<u>1,087</u>
Total lease liabilities – operating leases	<u>\$ 1,086</u>	<u>\$ 2,044</u>

5. LEASE COMMITMENTS (Continued)

Supplemental cash flow information related to leases was as follows for the year ended December 31:

	<u>2020</u>	<u>2019</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ <u>1,139</u>	\$ <u>999</u>

At December 31, 2020 and 2019, the weighted average discount rate for operating leases was 4.5%. At December 31, 2020 and 2019, the weighted average remaining lease term was 1.08 years and 2.08 years, respectively.

6. RETIREMENT PLAN

The Library sponsors a tax deferred annuity plan qualified under Internal Revenue Code Section 403(b). Contributions to the tax deferred annuity plan are made by salary reduction up to the maximum allowed by the Internal Revenue Code.

Employer contributions consist of 7.5% of eligible employees' salaries. To be eligible for employer contributions, employees must be full-time. Employees are immediately vested in all contributions. For the years ended December 31, 2020 and 2019, employer costs totaled \$20,667 and \$18,275, respectively.

7. ECONOMIC DEPENDENCY

A significant portion of revenue is received from the Town of Onondaga as well as through budget approvals through the Onondaga Central, West Genesee, and Westhill school districts. Decreases in revenue from these funding sources could have a potential impact on the continuation of program services.

8. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID19) as a pandemic. The global pandemic caused by the virus disrupted world-wide economic activity. As of the date of issuance, the COVID-19 pandemic continues. The overall short and long-term consequences of COVID-19 on a national, regional and local level are unknown, but there is the potential of a noteworthy negative economic impact. The impact of this situation specific to the Library and its future results and financial position is not presently determinable.

In response to COVID-19, the Library incurred \$27,712 in expenditures during 2020 for health, safety, and technology improvements, including HVAC upgrades, Plexiglas at all service desks, and sensor faucets and lighting in the restrooms.

9. SUBSEQUENT EVENTS

Paycheck Protection Program Loan

In March 2021, the Library entered into a five-year unsecured promissory note payable to a bank in the amount of \$96,860. This note was entered into by the Library as part of the Paycheck Protection Program (PPP). The PPP provides for this borrowing, or a portion of the borrowing, to be forgiven to the extent the Library meets eligibility and defined requirements related to expenditure of the funds. If no forgiveness is granted, the loan requires aggregate monthly payments, including interest at 1%, starting at the earlier of ten months from the end of the 24-week covered period or the determination by the Small Business Administration.

Subsequent events have been evaluated by management through May 26, 2021, the date the financial statements were issued.

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APPENDIX – B

FINANCIAL STATEMENTS

TOWN OF ONONDAGA

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

Mr. Thomas P. Andino, Jr., Supervisor
Members of the Town Board
Town of Onondaga, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Onondaga, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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fax	(315) 472-7263
address	120 East Washington Street Suite 1004 Syracuse, New York 13202
website	www.fjpompo.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Onondaga, New York, as of December 31, 2020, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in 2020 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

F. J. Pompo & Company, P.C.

Certified Public Accountants

June 1, 2021

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THOMAS P. ANDINO, JR.
Supervisor
Town of Onondaga

SUZANNE BELLE
Councilor

MARY RYAN
Councilor

KATHY FEDRIZZI
Councilor

JOHN MAHAR
Councilor

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Management's Discussion and Analysis

Our discussion and analysis of the Town of Onondaga's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2020. Please read it in conjunction with the Town's basic financial statements, which begin on page 9.

Using the Annual Report:

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent.

Reporting the Town of Onondaga as a Whole:

The Statement of Net Position and the Statement of Activities:

Our analysis of the Town as a whole begins on page 9. One of the most important questions about Town's finances is, "Is the Town as a whole better off or worse off as a result of the years activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting, used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net assets and changes in them. You can think of the Town's net assets, the difference between assets and liabilities, as one way to measure the Town's financial health or position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of Town's capital assets to assess the overall health of the Town.

Reporting the Town's Most Significant Funds
Fund Financial Statements:

The Fund Financial Statements begin on page 12 and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by New York State. The Town Board establishes other funds to help it control and manage money for particular purposes.

All of the Town's funds are considered to be governmental funds, focusing on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported on an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities and governmental funds in a reconciliation following the fund financial statements.

The Town as Trustee
Reporting the Town's Fiduciary Responsibilities

All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 11. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance operations. The Town is responsible for ensuring that the amounts reported in these funds are used for their intended purposes.

The Town as a Whole

For the year ended December 31, 2020, net position of governmental funds decreased \$247,012. Our analysis below focuses on the net assets and changes in net assets of the Town's governmental activities.

	Net Assets (In Thousands)	
	2020	2019
Current Assets	\$ 4,896	\$ 4,274
Capital Assets	64,454	64,546
Deferred Outflows	1,513	601
	<u>\$ 70,863</u>	<u>\$ 69,421</u>
Current Liabilities	1,040	600
Long-Term Debt	4,110	2,726
Deferred Inflows	102	236
	<u>\$ 5,252</u>	<u>\$ 3,562</u>
Capital Assets, Net of Related Debt	63,233	63,203
Restricted	464	382
Unrestricted	1,914	2,273
Total Net Position	<u>\$ 65,611</u>	<u>\$ 65,858</u>

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format, which is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense) revenue. The reason for this format is to highlight the relative financial burden of each functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or is self-financing through fees and grants. Property taxes are classified as general revenue even if restricted for a specific purpose.

	Change in Net Assets (In Thousands)	
	2020	2019
Revenues:		
Charges for Services	\$ 207	\$ 327
Capital Grants	195	413
Property Taxes	8,237	8,149
State Aid	643	522
Other Revenues	515	624
Total Revenues	\$ 9,797	\$ 10,035
Expenses:		
General Government	\$ 1,384	\$ 1,267
Public Safety	3,224	3,186
Transportation	3,669	3,645
Culture & Recreation	1,253	1,429
Home & Community	476	422
Interest on Debt	38	43
Total Expenses	\$ 10,044	\$ 9,992
Change in Net Assets	\$ (247)	\$ 43

Government wide revenues have decreased \$237,684 or 2.4% from 2019 to 2020. This decrease in income is primarily due to the COVID-19 pandemic and the direct impact on departmental revenues. Government wide expenses have increased \$51,666 or 0.51% from 2019 to 2020. This net increase is mainly attributable to a combination of actuarial costs associated with a change in the net pension and post-employment benefit liabilities. Actual fund expenditures decreased \$277,909 or 2.8% from 2019 to 2020.

In 2020, the Town adopted GASB Statement No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities and clarifies how these funds should be reported in the Financial Statements. This statement eliminates the use of the Trust & Agency Fund and creates the Custodial Fund, along with guidelines on recording security deposits and payroll clearing transactions in the General Fund (Note 14).

In 2015, the Town adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. These statements require the Town to recognize its proportionate share of the net pension asset or liability, deferred outflows and deferred inflows of resources, and related expenses from its participation in the New York State Retirement System. The results of these statements include recognizing a net pension liability for the defined benefit plan and related deferred outflows of resources (Note 7).

Capital Asset and Debt Administration

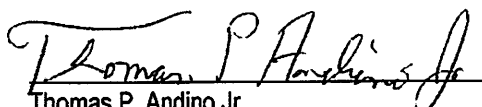
In 2007 the Town of Onondaga began to study the feasibility of renovations to the existing Town Highway garage, or the construction of a new Highway garage. The Town solicited bids for the construction of a new Town Highway Building in November 2015 and awarded bids in January 2016. Construction was fully completed in June 2019. There has been no impact on property taxes as the entire cost of the project was paid from the Capital Reserve Fund and the General Fund Balance. The Town is now well positioned in regards to its capital assets with a newly constructed Town Hall in 2005, a fully renovated Senior Center in 2009 and a new Town Highway Building in 2019.

Economic Factors and Next Year's Budgets and Rates

The Town relies upon property taxes and although not overly dependent on current economic conditions, the increased cost of health insurance, uncertainty of continued state aid, and the fluctuations in mortgage tax revenue has had, and will have a continuing impact on the Town's budget.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayer, customers and creditors with an overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Supervisor's office at 5020 Ball Road, Syracuse, NY 13215.


Thomas P. Andino Jr.
Town Supervisor

TOWN OF ONONDAGA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
Assets	
Current Assets	
Cash & Cash Equivalents (Note 1)	\$ 4,267,722
Receivables (Net)	342,689
Due from Other Funds	0
Inventories	139,884
Prepaid Expenses	146,164
Total Current Assets	\$ 4,896,459
Noncurrent Assets	
Net Capital Assets (Note 4)	\$ 64,453,876
Total Assets	\$ 69,350,335
Deferred Outflows of Resources	
Defeasance Loss	\$ 20,300
Deferred Outflows of Resources from Pensions (Note 7)	1,278,656
Deferred Outflows of Resources from Other Post Employment Benefits (Note 11)	213,760
Total Deferred Outflows of Resources	\$ 1,512,716
Liabilities	
Current Liabilities	
Accounts Payable	\$ 91,135
Accrued Liabilities	554,943
Bond Anticipation Notes Payable (Note 6)	284,365
Current Portion of Long-Term Debt	110,000
Total Current Liabilities	\$ 1,040,443
Noncurrent Liabilities	
Bonds Payable	\$ 825,000
Compensated Absences (Note 5)	150,033
Other Post-Employment Benefits (Note 11)	1,410,418
Net Pension Liability (Note 7)	1,724,223
Total Noncurrent Liabilities	\$ 4,109,674
Total Liabilities	\$ 5,150,117
Deferred Inflows of Resources	
Deferred Inflows of Resources from Pensions (Note 7)	\$ 42,997
Deferred Inflows of Resources from Other Post Employment Benefits (Note 11)	58,685
Total Deferred Inflows of Resources	\$ 101,682
Net Assets	
Invested in Capital Assets, Net of Related Debt	\$ 63,232,736
Restricted Net Assets	
Debt Service	127,040
Other Purposes	336,967
Unrestricted Net Assets	1,914,509
Total Net Position	\$ 65,611,252

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

	Expenses	Charges for Service	Program Operating Grants and Contributions	Revenue Capital Grants and Contributions	Net Revenues (Expense) and Change in Net Position
Government Activities					
General Government Support	\$ 1,384,119	\$ 10,499	\$ 0	\$ 0	\$ (1,373,620)
Public Safety	3,223,918	200	0	0	(3,223,718)
Transportation	3,668,834	169,913	0	194,883	(3,304,038)
Culture and Recreation	1,253,208	22,249	0	0	(1,230,959)
Home and Community Service	476,184	3,903	0	0	(472,281)
Interest on Debt	37,658	0	0	0	(37,658)
Total Governmental Activities	\$ 10,043,921	\$ 206,764	\$ 0	\$ 194,883	\$ (9,642,274)
 General Revenues					
Real Property Taxes					\$ 8,236,721
Non Property Taxes					318,770
Interest Earnings and Rent					62,830
State Aid Not Restricted to Specific Purposes					643,113
Other Miscellaneous Revenues					133,828
Total General Revenues					\$ 9,395,262
 Change in Net Position					\$ (247,012)
 Net Position - Beginning of Year					\$ 65,858,264
 Net Position - End of Year					\$ 65,611,252

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Highway Fund	Fuller Farm Sewer Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Unrestricted Cash	\$ 1,562,746	\$ 1,415,319	\$ 0	\$ 1,289,657	\$ 4,267,722
Due from Other Governments	342,689	0	0	0	342,689
Due from Other Funds	0	2,000	0	0	2,000
Prepaid Expense	64,588	76,717	0	4,859	146,164
Total Assets	<u>\$ 1,970,023</u>	<u>\$ 1,494,036</u>	<u>\$ 0</u>	<u>\$ 1,294,516</u>	<u>\$ 4,758,575</u>
Liabilities					
Accounts Payable	\$ 25,732	\$ 29,252	\$ 0	\$ 47,153	\$ 102,137
Accrued Liabilities	2,987	62,689	0	0	65,676
Deposits	465,633	0	0	0	465,633
Due to Other Funds	2,000	0	0	0	2,000
Bond Anticipation Notes Payable	0	0	269,440	14,250	283,690
Total Liabilities	<u>\$ 496,352</u>	<u>\$ 91,941</u>	<u>\$ 269,440</u>	<u>\$ 61,403</u>	<u>\$ 919,136</u>
Fund Balances					
Non-Spendable	\$ 64,588	\$ 76,717	\$ 0	\$ 4,859	\$ 146,164
Restricted for Justice	9,753	0	0	0	9,753
Restricted for Debt Service	0	0	0	127,040	127,040
Restricted for General Purposes	0	0	0	0	0
Assigned Fund Balance	475,154	1,325,378	(269,440)	1,101,214	2,632,306
Unassigned Fund Balance:					
General Fund	924,178	0	0	0	924,178
Capital Project Funds	0	0	0	0	0
Total Fund Equity	<u>\$ 1,473,673</u>	<u>\$ 1,402,095</u>	<u>\$ (269,440)</u>	<u>\$ 1,233,113</u>	<u>\$ 3,839,441</u>
Total Liabilities, Deferred Inflow of Resources and Fund Equity	<u>\$ 1,970,025</u>	<u>\$ 1,494,036</u>	<u>\$ 0</u>	<u>\$ 1,294,516</u>	<u>\$ 4,758,577</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

DECEMBER 31, 2020

Total Governmental Fund Balances	\$ 3,839,441
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in Governmental Funds.	64,453,876
The Town's proportionate share of net pension liabilities as well as pension-related deferred outflows of resources are recognized in the government-wide statements and include:	
Deferred Outflows of Resources from Pensions	1,278,656
Deferred Inflows of Resources from Pensions	(42,997)
Net Pension Liability	(1,724,223)
Long-term liabilities are not due and payable in the current period and therefore are not reported in Governmental Funds.	(2,496,126)
Inventory items for material are included in the government-wide statements as assets and are added.	139,884
Deferred outflows are included in the government-wide statements and are added.	234,060
Deferred inflows are included in the government-wide statements and are	(58,685)
Current liabilities for interest payable on long-term debt are included in the government-wide statements as liabilities and are deducted.	<u>(12,634)</u>
Total Net Position - End of Year	<u>\$ 65,611,252</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Highway Fund	Fuller Farm Sewer Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Real Property Taxes	\$ 976,294	\$ 2,706,788	\$ 0	\$ 4,553,639	\$ 8,236,721
Non Property Taxes	318,770	0	0	0	318,770
Departmental Income	39,368	169,913	0	4,533	213,814
Use of Money and Property	46,804	8,947	0	7,079	62,830
Licenses and Permits	44,242	0	0	0	44,242
Fines and Forfeitures	35,616	0	0	0	35,616
State Aid	643,113	194,883	0	0	837,996
Miscellaneous	45,545	827	0	2,995	49,367
Total Revenues	<u>\$ 2,149,752</u>	<u>\$ 3,081,358</u>	<u>\$ 0</u>	<u>\$ 4,568,246</u>	<u>\$ 9,799,356</u>
Expenditures					
General Governmental Support	\$ 980,469	\$ 0	\$ 0	\$ 0	\$ 980,469
Public Safety	173,502	0	0	2,974,974	3,148,476
Transportation	151,823	2,686,068	0	243,403	3,081,294
Culture and Recreation	220,503	0	0	841,159	1,061,662
Home and Community Services	112,671	0	0	262,400	375,071
Employee Benefits	309,149	526,974	0	15,125	851,248
Debt Service	34,125	0	0	125,858	159,983
Total Expenditures	<u>\$ 1,982,242</u>	<u>\$ 3,213,042</u>	<u>\$ 0</u>	<u>\$ 4,462,919</u>	<u>\$ 9,658,203</u>
Revenue Over (Under) Expenditures	\$ 167,510	\$ (131,684)	\$ 0	\$ 105,327	\$ 141,153
Other Financing Sources (Uses)					
Operating Transfer In	\$ 0	\$ 0	\$ 0	\$ 5,100	\$ 5,100
Operating Transfer Out	0	0	0	(5,100)	(5,100)
BANs Redeemed from Appropriations	0	0	15,000	2,600	17,600
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,000</u>	<u>\$ 2,600</u>	<u>\$ 17,600</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 167,510	\$ (131,684)	\$ 15,000	\$ 107,927	\$ 158,753
Fund Balance - Beginning of Year, As Restated	<u>\$ 1,306,163</u>	<u>\$ 1,533,779</u>	<u>\$ (284,440)</u>	<u>\$ 1,125,186</u>	<u>\$ 3,680,688</u>
Fund Balance - End of Year	<u>\$ 1,473,673</u>	<u>\$ 1,402,095</u>	<u>\$ (269,440)</u>	<u>\$ 1,233,113</u>	<u>\$ 3,839,441</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balance - Total Governmental Funds	\$ 158,753
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(91,731)
Bond Proceeds are a revenue source in the Governmental Funds, but increase liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	98,100
Net differences between pension system contributions recognized in the fund Statement of Revenue, Expenditures, and Changes in Fund Balance and the Statement of Activities.	(359,415)
In Governmental Funds, interest is reported as an expenditure when due. In the Statement of Activities, interest is accrued on outstanding bonds.	4,175
In Governmental Funds, inventory purchases are reported as an expenditure. In the Statement of Activities, inventory is expensed as used.	24,375
In Governmental Funds, other post-retirement benefits are reported as expenditures when paid. In the Statement of Activities, benefits are expensed over the period of the members' employment.	(77,870)
Compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds. Compensated absences are reported as an expense in the Statement of Activities.	<u>(3,399)</u>
Change in Net Position	\$ <u>(247,012)</u>

TOWN OF ONONDAGA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Custodial Fund</u>
Assets	
Cash and Cash Equivalents	<u>\$ 6,250</u>
Fund Balance	
Amounts Held for Bail	<u>\$ 6,250</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2020

	Custodial Fund
Additions	
Real Property Taxes Collected for Other Governments	\$ 9,916,776
Bail Deposits	6,000
Total Additions	\$ 9,922,776
Deductions	
Payments of Real Property Taxes to Other Governments	\$ 9,916,776
Bail Deposits Returned	1,500
Total Deductions	\$ 9,918,276
Change in Net Position	\$ 4,500
Prior Period Adjustment	\$ 1,750
Net Position - Beginning of the Year, as Restated	\$ 1,750
Net Position - End of the Year	\$ 6,250

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Financial Reporting Entity

The Town of Onondaga is governed by the Town Law and other general laws of the State of New York and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operations of the Town, consists of the Town Supervisor and four Councilors. The Town Supervisor serves as chief executive officer and chief fiscal officer of the Town.

The Town provides the following basic services: administration, water supply and distribution, sewer systems, fire protection, recreation, codes enforcement, and highway maintenance and repair.

All government activities and functions performed for the Town of Onondaga are its direct responsibility. No other government organizations have been included or excluded from the reporting entity.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria established by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefit or impose financial burdens on the Town. Based on these criteria, there are no other organizations that meet the criteria for inclusion in the reporting entity as a component unit of the Town.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Town as a whole. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which the governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each program of the governmental activities. Program revenues include charges paid by the recipients of services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Town.

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Measurement Focus and Basis of Accounting (Continued)

The government-wide Statement of Net Position and the Statement of Activities utilize an economic resources measurement focus. The accounting objectives of the measurement focus are the determination of operating income and changes in net assets. All assets and liabilities associated with their activities are reported.

In the governmental funds financial statements, the current financial resources measurement focus is utilized. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for bond principal and interest which are reported when due.

Fund Types and Major Funds

Governmental Funds: The Town reports the following major governmental funds:

General Fund – reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

Highway Fund – established to account for resources obtained and used for Highway purposes in accordance with the Highway Law.

Fuller Farm Sewer Fund – established to account for resources obtained and used for construction of the Fuller Farm Sewer.

The Town's other funds, which do not meet the criteria of a major governmental fund, are the following:

Capital Projects Fund – used to account for the financial resources that will be used for the purchase or construction of capital facilities or the purchase of equipment.

Special Revenue Funds – these funds are used to account for user fees, taxes, and other revenues which are received to provide specific services. The Town's non-major special revenue funds include:

Fire Protection	Parks Fund
Sewer Fund	Library
Water Fund	Lighting Fund

TOWN OF ONONDAGA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Fund Types and Major Funds (Continued)

Fiduciary Funds – These funds are used to account for assets held by the Town in a trustee or custodial arrangement. The Town's fiduciary funds include the Custodial Fund, which is used to report fiduciary activities that are not reported in pension and/or employee benefit trusts, investment trusts, or private-purpose trusts.

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of the three months or less from the date of acquisition.

Prepaid Items

Certain payments to vendors and others reflect costs applicable to future accounting periods and are recorded as prepaid items.

Accounts Receivable

The amount reported by the Town as accounts receivable at December 31, 2020, is shown as gross. Uncollectible amounts are written off under the direct write-off method. No allowance for uncollectible accounts has been established as an allowance has not been deemed necessary.

Inventory

Inventory is stated at cost on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when used.

Due To/From Other Funds

The amounts reported on the Governmental Funds balance sheet for due to and due from other funds represent amounts due between different fund types. These amounts have been eliminated in the government-wide financial statements

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The Town reports deferred outflows of resources for the early retirement of debt (Note 5). The Town has deferred outflows of resources which are comprised of New York State Retirement Systems pension amounts (Note 7) and amounts related to other post-employment benefits (Note 11).

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred inflows of resources resulting from New York State Retirement Systems pension amounts (Note 7) and amounts related to other post-employment benefits (Note 11).

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Capital Assets and Depreciation

The Town's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost where historical cost is not available and reported in the government-wide financial statements. The Town capitalizes assets with a cost of \$5,000 or more at purchase and as construction outlays occur. Infrastructure investments made prior to 2007 have been capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives are as follows:

	<u>Years</u>
Buildings	25 – 50
Equipment	5 – 17
Infrastructure	10 – 50

Compensated Absences

Town of Onondaga employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees.

Accrued Liabilities and Deposits

Payables, accrued liabilities, deposits, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are reported to the extent they will be paid from current financial resources. Compensated absences are included in the fund financial statements only if they are due for payment in the current year. Deposits included in the government-wide and fund financial statements are comprised of developer, guarantee, bid, and other deposits.

Equity Classifications

Equity in the government-wide financial statements is classified as net position and comprised of three components.

- Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the amount of any bonds, notes, or other borrowings related to the purchase or construction of those assets.
- Restricted net position is comprised of net position which has constraints placed upon their use by external groups such as creditors, grantors, laws, or regulations or by law through constitutional provisions or enabling legislation.
- Unrestricted net position is comprised the net position which does not meet the definition of net investment in capital assets or restricted.

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Equity Classifications (Continued)

In the fund financial statements, fund balance is broken down into five different classifications: Non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions implied by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- Committed consists of amounts that are subject to purpose constraints imposed by a formal action of the government's highest level of decision-making authority before the end of the year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.
- Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by the designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned represents the residual classification for the government's general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property Taxes

Town property taxes are levied annually by December 15. The Town tax rate is based on the amount per \$1,000 assessed value. Taxes may be paid without penalty on or before January 1 through January 31. A penalty of 1% is assessed on payments received after January 31. Penalties increase each month until outstanding amounts are turned over to Onondaga County on April 1 for collection. The Town receives the full amount of its levy. The County will re-levy any uncollected taxes on its next town/county tax bill.

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED).

Encumbrances

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the highway fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, highway, and certain nonmajor funds.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.

Budget Policy and Practice

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Modification of the budget must be approved by the Town Board. Unencumbered appropriations for annually budgeted funds lapse at year end.

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the previous year.

NOTE 3 - CASH AND INVESTMENTS.

State statutes govern the Town's investment policies. The Town's investment policy authorizes the supervisor to invest in certificates of deposit and treasury bills. All deposits, including certificates of deposit, are carried at cost.

All deposits in excess of insurance provided by the Federal Deposit Insurance Act must be secured by a pledge of collateral by the financial institution, consisting of certain eligible securities with an aggregate market value equal to or greater than the amount of deposits held in that financial institution, a surety bond payable to the Town executed by an insurance company to do business in New York State, or an irrevocable letter of credit issued by a federal home loan bank.

The Town's deposits at December 31, 2020, were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION.

Capital asset activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Not Being Depreciated				
Land	\$ 457,600	\$ 0	\$ 0	\$ 457,600
Other Capital Assets				
Buildings	\$ 10,358,152	\$ 0	\$ 0	\$ 10,358,152
Infrastructure	72,674,450	741,584	0	73,416,034
Equipment	4,353,635	312,979	(184,039)	4,482,575
Subtotal	<u>\$ 87,386,237</u>	<u>\$ 1,054,563</u>	<u>\$ (184,039)</u>	<u>\$ 88,256,761</u>
Accumulated Depreciation				
Buildings	\$ (2,186,820)	\$ (284,146)	\$ 0	\$ (2,470,966)
Infrastructure	(18,093,440)	(569,301)	0	(18,662,741)
Equipment	(3,017,970)	(288,679)	179,871	(3,126,778)
Subtotal	<u>\$ (23,298,230)</u>	<u>\$ (1,142,126)</u>	<u>\$ 179,871</u>	<u>\$ (24,260,485)</u>
Net Other Capital Assets	<u>\$ 64,088,007</u>	<u>\$ (87,563)</u>	<u>\$ (4,168)</u>	<u>\$ 63,996,276</u>
Net Capital Assets	<u>\$ 64,545,607</u>	<u>\$ (87,563)</u>	<u>\$ (4,168)</u>	<u>\$ 64,453,876</u>

Depreciation was Charged to Functions as Follows:

General Government Support	\$ 98,214
Public Safety	4,962
Transportation	872,121
Culture & Recreation	89,247
Home & Community	77,582
Total Accumulated Depreciation	<u>\$ 1,142,126</u>

NOTE 5 - LONG-TERM OBLIGATIONS.

The Town borrows money through the issuance of bonds in order to purchase land, facilities, equipment, and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED).

Changes during 2020 and balances at December 31, 2020, of the Town's serial bonds are as follows:

	Refunding 2013 2%/3%	Whedon Rd. 2016 3.88%
Balance January 1, 2020	\$ 705,000	\$ 335,000
Repayments	(100,000)	(5,000)
Additions	0	0
Balance December 31, 2020	<u>\$ 605,000</u>	<u>\$ 330,000</u>

In addition to serial bonds, the Town had the following long-term obligations:

- Compensated Absences, which represent the value of earned and unused paid time off
- Net Pension Liability, which represents the Town's share of the New York State and Local Retirement System Liability
- OPEB Liability, which represents the liability associated with health benefits to be provided to employees upon retirement.

Changes during 2020 and balances at December 31, 2020, of other long-term liabilities are as follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Serial Bonds	\$ 1,040,000	\$ 0	\$ 105,000	\$ 935,000
Compensated Absences	146,634	3,400	0	150,034
Net Pension Liability	439,212	1,285,011	0	1,724,223
OPEB Liability	1,205,409	205,009	0	1,410,418
Total	<u>\$ 2,831,255</u>	<u>\$ 1,493,420</u>	<u>\$ 105,000</u>	<u>\$ 4,219,675</u>

Annual debt service requirements for bonded debt are as follows:

	Principal	Interest
2021	\$ 110,000	\$ 27,125
2022	115,000	24,825
2023	115,000	22,294
2024	115,000	19,500
2025	120,000	16,575
2026-2030	130,000	53,200
2031-2035	50,000	41,000
2036-2040	75,000	28,500
2041-2045	85,000	13,100
2046-2050	20,000	400
	<u>\$ 935,000</u>	<u>\$ 246,519</u>

In 2013, the Town defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. As of December 31, 2019, the outstanding principal of the defeased bonds was paid in full.

The Town advance-refunded the 2001 and 2005 series bonds to reduce total debt service over the next 14 years by almost \$167,795 and to obtain an economic gain of \$147,574.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 - BOND ANTICIPATION NOTES.

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for a period equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures for short-term debt are recognized on a cash basis when amounts become due and payable.

The following is a summary of changes in bond anticipation notes for the year ended December 31, 2020:

	Balance at 1/1/2020	Net Additions	Maturities and/or Payments	Balance at 12/31/2020	Interest Rate
Fuller Farms Sewer	\$ 284,440	\$ 0	\$ 15,000	\$ 269,440	2.45%
Sycamore Sewer	16,850	0	2,600	14,250	1.95%
Skyline Sewer	3,800	0	675	3,125	1.95%
Total Due	\$ 305,090	\$ 0	\$ 18,275	\$ 286,815	

NOTE 7 - PENSIONS.

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - PENSIONS (CONTINUED).

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contributions	\$ 257,299	\$ 254,612	\$ 264,698

At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liability for the System.

Actuarial valuation date:	March 31, 2020
Net pension liability:	\$1,724,223
Town's portion of the Plan's total net pension liability:	0.0065113%

The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Town.

For the year ended December 31, 2020, the Town recognized pension expense of \$616,044.

At December 31, 2020, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 101,478	\$ 0
Changes in assumptions	34,718	29,978
Net difference between projected and actual earnings on pension plan investments	883,921	0
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	65,566	13,019
Town's contributions subsequent to the measurement date	192,974	0
Total Deferred Flow of Resources	\$ 1,278,657	\$ 42,997

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021.

TOWN OF ONONDAGA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 - PENSIONS (CONTINUED).

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending:</u>		
2021	\$	189,945
2022	\$	267,946
2023	\$	323,976
2024	\$	260,818
2025	\$	0
Thereafter	\$	0

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Interest rate	6.80%
Salary scale	3.80%
Decrement tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation rate	2.50%

Annuitant mortality rates are based on System's experience April 1, 2010, to March 31, 2015, with adjustments for mortality improvements based on MP-2014. The actuarial assumptions used in the April 1, 2015, valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - PENSIONS (CONTINUED).

Best estimates of the arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized below:

Measurement date: March 31, 2020

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	4.05%
International Equity	6.15%
Private Equity	6.75%
Real Estate	4.95%
Absolute return strategies	3.25%
Opportunistic portfolio	4.65%
Real assets	5.95%
Bonds and mortgages	0.75%
Cash	0.00%
Inflation-indexed bonds	0.50%

Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher (5.8% and 7.8%, respectively)

	1% Decrease (5.8)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	\$ 3,164,437	\$ 1,724,223	\$ 397,781

TOWN OF ONONDAGA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 - PENSIONS (CONTINUED).

Pension Plan Fiduciary Net Position

The components of the current-year net pension liabilities of the employers as of the valuation date, were as follows:

		Dollars in Thousands
		ERS
Valuation Date		March 31, 2020
Employers' Total Pension Liability	\$	194,596,261
Plan Fiduciary Net Position		168,115,682
Employers' Net Pension Liability	\$	26,480,579
System Fiduciary Net Position as a Percent of Total Pension Liability		86.39%

NOTE 8 - RISK MANAGEMENT.

The Town's risk for liability including property damage and personal injury liability is handled through the purchase of commercial insurance. Workers' Compensation risk is handled through a public entity risk pool managed by Onondaga County. The Town's responsibility to the pool is limited to its premium payment.

NOTE 9 - CONTINGENT LIABILITIES.

The Town is a defendant in a number of lawsuits for alleged improper action by Town employees and certiorari claims alleging over-assessment. The actions are in various stages of discovery; however, the Town believes that the ultimate resolution of these matters will not have a material effect on the individual governmental funds or the overall position of the Town.

NOTE 10 - OPERATING LEASE.

The Town has entered into an operating lease with the County of Onondaga for the use of approximately 2,900 square feet of the Town Hall by the County Sheriff's Department. The twenty-year lease agreement requires monthly rental payments of \$2,927 and provides reimbursement of operating expenses. During 2020, rent income amounted to \$35,124.

Future minimum rentals for the next five years are as follows:

2021	\$ 35,124
2022	\$ 35,124
2023	\$ 35,124
2024	\$ 35,124
2025	\$ 35,124

TOWN OF ONONDAGA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS.

Plan Description

The Town of Onondaga administers a single-employer defined benefit healthcare plan (The Retiree Health Plan). This plan does not include the pension benefits discussed in Note 7. The Finance Director is responsible for administration of the plan. The Retiree Health plan does not issue a publicly available financial report. The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

Plan Membership

As of the December 31, 2020, actuarial valuation, membership consisted of the following:

Inactive employees currently receiving benefits	14
Active employees	<u>35</u>
Total Plan Membership	<u>49</u>

Benefits Provided

The plan provides lifetime medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents, with the Town contributing a portion of the expense in accordance with the Town's personnel policies and procedures. Retirees age 55 or older with a minimum of 15 years of service with the Town as a regularly scheduled employee are eligible to participate in the plan.

Contributions

Contribution requirements for union employees are negotiated between the Town and the union. For non-union employees, the Town contributes 50% of the cost of current-year premiums for eligible retired plan members. During the year ending December 31, 2020, the town paid \$73,236 in retiree insurance premiums.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal – Level Percent of Pay
Salary Scale	3.5%
Inflation	2.4%
Discount Rate	2.73% based on the Bond Buyer Weekly 20-Bond Go Index as of the valuation date.
Healthcare Cost Trend Rates	6% per year graded down by the SOA Long-Run model to an ultimate rate of 3.94% per year
Mortality	RPH-2014 Mortality Table, sex-distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with MP-2020.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED).

The following changes in actuarial assumptions have been made since the prior measurement date:

The discount rate was changed from 4.1% to 2.73%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of December 31, 2019	\$ 1,205,409
Changes for the Year	
Service cost	\$ 49,972
Interest on the total OPEB liability	49,970
Changes in benefit terms	(2,790)
Difference between expected and actual experience	66,794
Changes in assumptions	114,299
Benefit payments, including employee refunds	<u>(73,236)</u>
Net changes	<u>\$ 205,009</u>
Balance as of December 31, 2020	<u>\$ 1,410,418</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(1.73%)</u>	Current Discount Rate <u>(2.73%)</u>	1% Increase <u>(3.73%)</u>
Net OPEB Liability	\$ 1,619,014	\$ 1,410,418	\$ 1,238,580

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6% decreasing to 5%) and 1-percentage-point higher (6% increasing to 7%) than the current healthcare cost trend rates:

	1% Decrease <u>(5%)</u>	Current Healthcare Cost Trend Rates <u>(6%)</u>	1% Increase <u>(7%)</u>
Net OPEB Liability	\$ 1,215,094	\$ 1,410,418	\$ 1,653,839

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized OPEB expense of \$121,019. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 55,014	\$ 0
Changes in Assumptions	115,597	58,685
Employer Contributions Subsequent to the Measurement Date	43,149	0
Total	<u><u>\$ 213,760</u></u>	<u><u>\$ 58,685</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2021	\$ 23,867
2022	\$ 23,867
2023	\$ 21,570
2024	\$ 21,224
2025	\$ 21,398
2026 and thereafter	\$ 0

NOTE 12 - SERVICE AWARD PROGRAMS.

The Town of Onondaga established defined contribution Length of Service Award Program (LOSAP) for the active volunteer firefighters of the Town's fire companies. The program took effect on February 1, 1990, with the exception of the Southwood District, which took effect on February 1, 1997. The programs were established pursuant to Article 11-A of the General Municipal Law. The programs provide municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of Onondaga is the sponsor of the program.

Program Description

Active volunteer firefighters who have reached the age of 18 and who have completed one year of service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of service. The program's entitlement age is coincident with or following attainment of age 55 and completion of one year of participation. In general, an active firefighter is credited with a year of service for each calendar year, after establishment of the program, in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values.

TOWN OF ONONDAGA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 12 - SERVICE AWARD PROGRAMS (CONTINUED).

Benefits

A participant's benefit under the program is the amount resulting from the contributions made by the sponsor on behalf of the participant, plus interest and/or earnings resulting from the investment of the contributions, less necessary costs, forfeitures and losses resulting from the investment of the contributions. Contributions of \$700 are made on behalf of each participant who is credited with a year of service. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated disability and death benefits.

Fiduciary Investment and Control

Service credit is determined based on information certified by each fire company having members who participate in the program. Each fire company must maintain all required records.

The sponsor has retained and designated Firefly Admin, Inc., to administer the program. Program assets are required to be held in trust by LOSAP legislation for the exclusive purpose of providing benefits to the participants and their beneficiaries or for the purpose of defraying the reasonable expense of the operation and administration of the program. Program assets are invested in a group annuity.

Receipts and Disbursements

Receipts and Disbursements for the year ended December 31, 2019 (the most recent year available) are as follows:

Plan Assets at 1/1/2019	\$ 3,026,667
Plan Contributions	99,323
Forfeitures	0
Investment Income, Net of Fees	506,457
Adjustments	5,600
Plan Benefit Payments	(519,327)
Plan Assets at 12/31/2019	<u>\$ 3,118,720</u>

NOTE 13 - SUBSEQUENT EVENTS.

Subsequent events have been evaluated through June 1, 2021, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town's financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for fiscal year 2021.

TOWN OF ONONDAGA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 - PRIOR PERIOD ADJUSTMENT.

As of January 1, 2020, the Town implemented GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds).

The general fund balances were restated as a result of the implementation of GASB Statement No. 84 which caused the reclassification of deposits and payroll-related items which have historically been reported within the trust and agency fund.

	General Fund		
	Cash	Liabilities	Fund Balance
Balance, December 31, 2019, as previously Stated	\$ 581,147	\$ 49,313	\$ 1,022,308
Restatement of Beginning Balance - Adoption of GASB Statement No. 84	795,020	511,166	283,854
Balance, December 31, 2020	\$ 1,376,167	\$ 560,479	\$ 1,306,162

TOWN OF ONONDAGA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance over Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Real Property Taxes	\$ 987,138	\$ 987,138	\$ 976,294	\$ (10,844)
Non Property Tax Items	330,000	330,000	318,770	(11,230)
Departmental Income	155,500	155,500	39,368	(116,132)
Use of Money and Property	49,370	49,370	46,804	(2,566)
Licenses and Permits	59,000	59,000	44,242	(14,758)
Fines and Forfeitures	100,200	100,200	35,616	(64,584)
State Aid	566,000	566,000	643,113	77,113
Miscellaneous	2,500	2,500	45,545	43,045
Total Revenues	<u>\$ 2,249,708</u>	<u>\$ 2,249,708</u>	<u>\$ 2,149,752</u>	<u>\$ (99,956)</u>
Expenditures				
General Governmental Support	\$ 1,128,725	\$ 1,158,535	\$ 980,469	\$ 178,066
Public Safety	222,836	207,836	173,502	34,334
Transportation	169,167	169,167	151,823	17,344
Culture and Recreation	372,955	372,955	220,503	152,452
Home and Community Services	127,700	150,290	112,671	37,619
Employee Benefits	379,200	379,200	309,149	70,051
Debt Service	34,125	34,125	34,125	0
Total Expenditures	<u>\$ 2,434,708</u>	<u>\$ 2,472,108</u>	<u>\$ 1,982,242</u>	<u>\$ 489,866</u>
Excess of Revenues over Expenditures	<u>\$ (185,000)</u>	<u>\$ (222,400)</u>	<u>\$ 167,510</u>	<u>\$ 389,910</u>
Other Financing Sources (Uses)				
Appropriations	<u>\$ 185,000</u>	<u>\$ 222,400</u>	<u>\$ 0</u>	<u>\$ (222,400)</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 167,510</u>	<u>\$ 167,510</u>
Fund Balance - Beginning			<u>\$ 1,306,163</u>	
Fund Balance - Ending			<u>\$ 1,473,673</u>	

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

**BUDGETARY COMPARISON SCHEDULE
HIGHWAY FUND**

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance over Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Property Taxes	\$ 2,704,510	\$ 2,704,510	\$ 2,706,788	\$ 2,278
Departmental Income	169,900	169,900	169,913	13
Use of Money and Property	35,000	35,000	8,947	(26,053)
State Aid	243,640	243,640	194,883	(48,757)
Miscellaneous	500	500	827	327
Total Revenues	<u>\$ 3,153,550</u>	<u>\$ 3,153,550</u>	<u>\$ 3,081,358</u>	<u>\$ (72,192)</u>
Expenditures				
General	\$ 6,300	\$ 6,300	\$ 0	\$ 6,300
Transportation	2,618,550	2,880,275	2,686,068	194,207
Employee Benefits	578,700	578,700	526,974	51,726
Total Expenditures	<u>\$ 3,203,550</u>	<u>\$ 3,465,275</u>	<u>\$ 3,213,042</u>	<u>\$ 252,233</u>
Excess of Revenues over Expenditures	\$ (50,000)	\$ (311,725)	\$ (131,684)	\$ 180,041
Other Financing Sources (Uses)				
Appropriations	<u>\$ 50,000</u>	<u>\$ 311,725</u>	<u>\$ 0</u>	<u>\$ (311,725)</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	\$ (131,684)	<u>\$ (131,684)</u>
Fund Balance - Beginning			<u>\$ 1,533,779</u>	
Fund Balance - Ending			<u>\$ 1,402,095</u>	

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA

**SCHEDULE OF CHANGES IN THE
TOWN'S TOTAL OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

Measurement Date	January 1, 2018	January 1, 2019	January 1, 2020
Service Cost	\$ 55,956	\$ 62,762	\$ 49,972
Interest	45,238	44,197	49,970
Changes in Benefit Terms	0	0	(2,790)
Differences between expected and actual experience	0	0	66,794
Changes in Assumptions and Other Inputs	45,211	(90,665)	114,299
Benefit Payments	(64,570)	(65,817)	(73,236)
Net Change in total OPEB Liability	<u>\$ 81,835</u>	<u>\$ (49,523)</u>	<u>\$ 205,009</u>
Total OPEB Liability - Beginning	<u>\$ 1,173,097</u>	<u>\$ 1,254,932</u>	<u>\$ 1,205,409</u>
Total OPEB Liability - Ending	<u><u>\$ 1,254,932</u></u>	<u><u>\$ 1,205,409</u></u>	<u><u>\$ 1,410,418</u></u>
Covered-Employee Payroll	\$ 2,113,804	\$ 1,562,111	\$ 1,767,558
Total OPEB Liability as a percentage of covered-employee payroll	59.37%	77.17%	79.79%

Note: This schedule is intended to show information for ten years. Since 2017 was the first year for this presentation, ten years of data is not available. Additional years will be included as they become available.

TOWN OF ONONDAGA
SCHEDULE OF EMPLOYER'S PROPORTIONATE
SHARE OF NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Measurement Date	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19	3/31/20
Town's proportion of the net pension liability	0.0060805%	0.0059557%	0.0056581%	0.0065093%	0.0061989%	0.0065113%
Town's proportionate share of the net pension liability	\$ 205,416	\$ 955,901	\$ 531,650	\$ 210,085	\$ 439,213	\$ 1,724,223
Town's covered-employee payroll	\$ 1,752,304	\$ 1,752,086	\$ 2,011,397	\$ 1,959,157	\$ 1,983,462	\$ 1,991,327
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.72%	54.56%	26.43%	10.72%	22.14%	86.59%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	90.70%	93.50%	98.24%	96.27%	86.39%

Note: This schedule is intended to show information for ten years. Since 2015 was the first year for this presentation, ten years of data is not available. Additional years will be included as they become available.

The accompanying notes are an integral part of the financial statements.

TOWN OF ONONDAGA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2020

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Town's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2009	\$ 112,737	\$ (112,737)	\$ 0	\$ 1,557,977	7.24%
2010	\$ 185,686	\$ (185,686)	\$ 0	\$ 1,462,775	12.69%
2011	\$ 243,194	\$ (243,194)	\$ 0	\$ 1,605,958	15.14%
2012	\$ 303,023	\$ (303,023)	\$ 0	\$ 1,637,425	18.51%
2013	\$ 296,716	\$ (296,716)	\$ 0	\$ 1,569,771	18.90%
2014	\$ 350,780	\$ (350,780)	\$ 0	\$ 1,763,113	19.90%
2015	\$ 296,196	\$ (296,196)	\$ 0	\$ 1,752,304	16.90%
2016	\$ 256,325	\$ (256,325)	\$ 0	\$ 1,752,086	14.63%
2017	\$ 283,691	\$ (283,691)	\$ 0	\$ 2,011,397	14.10%
2018	\$ 264,698	\$ (264,698)	\$ 0	\$ 1,959,157	13.51%
2019	\$ 254,612	\$ (254,612)	\$ 0	\$ 1,983,462	12.84%
2020	\$ 257,299	\$ (257,299)	\$ 0	\$ 1,991,327	12.92%

The accompanying notes are an integral part of the financial statements.

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APPENDIX – C

CERTAIN INFORMATION CONCERNING THE TOWN

Description

The Town, classified as a First Class Town, encompasses 58.8 square miles within the County of Onondaga in the central region of upstate New York. The Town is contiguous to the City of Syracuse, the State's fifth largest city, joining the City at its southwest corner. The Town is a suburban community and primarily residential in nature. According to 2019 US Census data (American Community Survey-5 Year Estimate), the population of the Town is estimated to be 22,663. Residents of the Town are employed throughout the Syracuse Metropolitan Statistical Area (“MSA”), which has a diversified economy and includes many of the major corporations of this country. In addition, the campus of Onondaga Community College, a two-year co-educational college in the State University System, is located in the Town. The College employs approximately 950 people.

Transportation

The Major highways serving the Town are New

York State Routes 173, 175 and 20 and Interstate 81. The New York State Thruway also lies within close proximity of the Town. The residents are served by air, bus and train terminals, all located within twenty miles of the community. Syracuse Hancock International Airport in Syracuse is served by American Airlines, Delta Air Lines, Frontier Airlines and JetBlue. Southwest Airlines recently announced plans to begin regularly scheduled flights out of Syracuse Hancock International Airport in November of 2021

Water and sewer services are provided by the Town and Fire protection is provided through volunteer forces.

Population

	<u>State</u>	<u>County</u>	<u>Town</u>
U. S. Census 2010	19,378,102	467,026	23,101
U. S. Census 2019	19,572,319	462,872	22,663

Source: U.S. Department of Commerce, Bureau of the Census.

Selected Wealth and Income Indicators

Per Capita Money Income - 2019

	<u>2010</u>	<u>2019</u>	<u>% Change</u>
Town	\$30,751	\$39,306	27.82%
County	27,037	34,002	25.76
State	30,948	39,326	27.07

Source: U.S. Department of Commerce, Bureau of the Census.

Median Income of Families – 2019

	<u>Median Income</u>	<u>Under \$25,000</u>	<u>Income Groups - % of Families</u>			<u>\$100,000 or More</u>
			<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	
Town	\$102,250	4.5%	13.1%	14.3%	16.3%	51.7%
County	81,171	11.9	17.1	17.3	15.2	3
State	84,385	12.8	16.7	15.3	13.0	42.2

Source: The American Community Survey 5 – Year Estimate (US Census Bureau).

Unemployment Rate Statistics

Unemployment statistics are not available for the Town. The smallest area for which such statistics are available is the County of Onondaga. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the Town, or vice versa.

The following tables provide certain information about the labor force in the City of Syracuse and the Syracuse MSA, respectively.

Civilian Labor Force Annual Averages

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change 2000-2010</u>	<u>% Change 2010-2020</u>
City	64,600	63,400	59,400	(1.86)%	(6.31)%
Syracuse MSA	322,800	331,500	305,100	2.70	(7.96)
County	229,500	237,000	220,500	3.27	(6.94)
State	9,133,900	9,595,400	9,289,200	5.05	(3.19)

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Average Unemployment Rates (1)

<u>Year</u>	<u>Syracuse</u>			
	<u>City</u>	<u>County</u>	<u>MSA</u>	<u>State</u>
2015	6.6%	4.9%	5.4%	5.3%
2016	6.1	4.5	4.9	4.9
2017	6.1	4.7	5.1	4.7
2018	5.2	4.0	4.3	4.1
2019	5.0	3.8	4.1	3.8
2020	11.5	8.4	8.1	10.0

(1) Rates are not seasonally adjusted.

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

Education

Syracuse University, LeMoyne College, Onondaga Community College, the State College of Environmental Science and Forestry, the SUNY Health Science Center at Syracuse and two business schools are located in or in close proximity to the Town. The aforementioned institutions of higher learning have a combined

student population in excess of 35,000. Professional and non-professional employees at these institutions exceed 10,000.

Commerce and Industry

Residents of the Town are employed throughout the Syracuse MSA. The area has one of the most diversified manufacturing economies in the State and includes many major companies such as Lockheed-Martin, Anheuser-Busch, Bristol Myers and National Grid.

Real Property Taxes

The Town derives its power to levy an ad valorem real property tax from the Constitution of the State. The Town levies taxes for Town and special district operating purposes and for debt service.

Tax Levy Limitation Law

Chapter 97 of the New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter of which are affected indirectly by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such a statutory tax levy limitation is not clear.

Assessed and Full Valuations

The Town received approximately 44.0% of its General Fund revenue from real property taxes and assessments during the year ended December 31, 2020 (see “Financial Factors – Real Property Taxes,” herein). The following table shows the trend during the last five years for real property assessments, real property tax and assessment levies, general purpose tax rates and unpaid taxes at the end of each year.

	<u>Real Property Tax Statistics 2016-2020</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Equalization Rate	100.00%	98.50%	95.00%	94.50%	92.00%
Full Value ⁽¹⁾	1,345,131,900	1,384,933,781	1,447,613,198	1,488,341,286	1,572,496,920
Town Tax Levy:					
General	1,009,708	838,924	911,732	929,403	947,138
Highway	2,641,171	2,618,221	2,617,800	2,653,611	2,704,510
Special Dist. ⁽²⁾	4,302,911	4,566,404	4,528,682	4,529,494	4,553,384
Tax Rate ⁽³⁾					
County	\$5.32	\$5.38	\$5.26	\$5.53	5.4804
General Town ⁽⁴⁾	0.75	0.62	0.66	0.66	0.65

- (i) Computed by dividing the taxable assessed valuation by the State Equalization Rate shown.
- (ii) Includes Library, Lighting, Fire Protection, Water, Sewer, Drainage and Park Districts.
- (iii) Per \$1,000 assessed value.
- (iv) See “Tax Collection Procedures” on the following page.

Source: Town officials and the Office of Real Property & Tax Services (the “ORPTS”).

Tax Collection Procedures

The Town Tax Receiver collects County taxes and special district assessments. Taxes and assessments are levied against properties on the first of January and may be paid without penalty through the month of January. Payments made in the months of February and March are assessed penalties of 1% and 1-1/2%, respectively. On April 1st the tax rolls and any unpaid taxes are returned to the County for collection and enforcement. Therefore, the Town and special districts receive 100% of their requirements each year. The Town Tax Receiver also collects school taxes generally during the months of September, October and November. Collections are paid directly to school districts; however, interest and penalties on these taxes are retained and paid to the Town Supervisor. Unpaid school taxes are returned to the County for collection.

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Ten of the Largest Taxpayers

The following table presents the taxable assessments of the Town's larger taxpayers listed on the 2020 tax roll.

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
National Grid	Utility	\$50,712,621	3.51%
Meadows Apartments LLC	Apartments	14,300,000	0.99
5075 W. Seneca LLC	Aged Home	13,075,000	0.90
High Acres	Apartments	12,300,000	0.85
Hanson Aggregates NY LLC	Mine/Quarry	9,012,800	0.62
Stonegate	Apartments	4,525,000	0.31
TP Onondaga LLC	Aged Home	4,160,000	0.29
Dominion Transmission	Utility	3,633,238	0.25
ALS Venture Inc.	Apartments	3,360,000	0.23
4574 Woodhaven Assoc. LLC	Apartments	<u>3,300,000</u>	<u>0.23</u>
Total		\$118,378,659	8.18%

(1) Total taxable assessed values for 2020 are \$1,446,697,167.

Source: Town officials.

Town Indebtedness

Computation of Debt Contracting Limitation

The following table sets forth the Town's debt-contracting limitation.

<u>Assessment Roll Filed</u>	<u>Year Ending December 31</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate (1)</u>	<u>Full Valuation</u>
2016	2017	1,364,159,774	98.50	\$ 1,384,933,781
2017	2018	1,375,232,538	95.00	1,447,613,198
2018	2019	1,406,482,515	94.50	1,488,341,286
2019	2020	1,446,697,167	92.00	1,572,496,921
Total Five-Year Full Valuation				\$ 7,238,517,086
Five-Year Average Full Valuation				1,447,703,417
Debt Contracting Limitation:				
7% of Five-Year Average Full Valuation				\$ 101,339,239

Source: The ORPTS and Town Officials.

Statutory Debt Limit and Net Indebtedness

Statement of Debt Contracting Power
As of December 31, 2020

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation:	101,339,239	100.00%
Gross Indebtedness:		
Serial Bonds	935,000	0.92
Bond Anticipation Notes	286,140	0.28
Gross Indebtedness	1,221,140	1.21
Less Exclusions and Deductions:		
Water Indebtedness ⁽¹⁾	605,000	0.60
Unexpended Appropriations to Pay Non-Exempt Principal Debt	0	0.0
Total Exclusions	605,000	0.60
Net Indebtedness	616,140	0.61
Net Debt Contracting Margin	100,723,099	99.39

(1) Excluded pursuant to State Constitution.

Trend of Capital Debt

The following table sets forth the gross amount of bonded debt outstanding at the end of each of the last five years:

Bonded Debt 2016-2020

<u>Years Ended December 31</u>	<u>Bonded Debt</u>
2016	\$1,350,625
2017	1,789,240
2018	1,145,000
2019	1,040,000
2020	935,000

See Audited Financial Statements as of and for the year ended December 31, 2020, "Notes to Financial Statements," Note 5.

Authorized but Unissued Debt

The Town has no authorized but unissued debt. Aside from outstanding bond anticipation notes which will be renewed at maturity, less principal contributions, Town officials do not anticipate the need to borrow in the foreseeable future.

APPENDIX – D

DEFINITIONS OF CERTAIN TERMS OF THE INDENTURE

"Accountant" means a firm of independent certified public accountants selected by the Library.

"Acknowledgement" means the Acknowledgement by the Library of the Assignment.

"Act" means Section 1411 of the Not-for-Profit Corporation Law of the State, as amended, as such laws are amended from time to time.

"Additional Bonds" means any bonds issued pursuant to Section 2.13 of the Indenture.

"Affiliate" means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof which directly or indirectly controls, is controlled by or is under common control with the Library. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of not less than a majority of its voting securities or the right to designate or elect not less than a majority of the members of its board of directors or other governing board or body by contract or otherwise.

"Annual Tax" means the annual tax to be levied by the Town upon the taxable real property that is located within the boundaries of the Town, for Library purposes in accordance with State Education Law Section 259.

"Assignment" means, collectively, the Fiscal Agency Agreement Assignment and the Loan Agreement Assignment.

"Authorized Investments" means any of the following: (i) certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest; (ii) investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development; (iii) investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than part on the portion of unpaid principal) of the Federal National Mortgage Association or (d) senior debt obligations of the Student Loan Marketing Association; (iv) Repurchase agreements with primary dealers and/or banks rated, at all times, AA and AA2 or better by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively, collateralized with the obligations described in (i) or (ii) above, held by a third party custodian, at the levels set forth below; (v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc. (vi) certificates of deposit of any bank (including the Trustee), trust company or savings and loan association whose short term obligations are rated, at all times, A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service, Inc., provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above, at the levels set forth below, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates; (vii) certificates of deposit of any bank (including the Trustee), trust company or savings and loan association which certificates are fully insured by the Federal Deposit

Insurance Corporation; (viii) commercial paper rated, at all times, P-1 or better by Moody's Investor's Service, Inc. and A-1 + by Standard & Poor's Corporation; (ix) obligations of, or obligations fully guaranteed by, and state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by Standard & Poor's Corporation and Moody's Investor Service, Inc. in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier of otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature and (x) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements provided by banks and other institutions rated A or better by Standard & Poor's Corporation and A2 or better by Moody's Investors Service.

"Authorized Representative" means (a) with respect to the Issuer, its Chairman, Vice Chairman, Secretary, Assistant Secretary or President/CEO; with respect to the Library, its President, Vice President Treasurer or Director; and with respect to both such additional persons as, at the time, are designated to act on behalf of the Issuer or the Library, as the case may be, by written certificate furnished to the Trustee and to the Issuer or the Library, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer, by its Chairman, Vice Chairman, Secretary, Assistant Secretary or President/CEO, or (ii) the Library, by its President, Vice President Treasurer or Director.

"Bond" or "Bonds" means the Series 2021 Bonds together with any Additional Bonds issued under Section 2.13 of the Indenture and any Bonds issued in exchange of or substituted therefor.

"Bond Counsel" means the law firm of Harris Beach PLLC or an attorney or firm of attorneys acceptable to the Trustee whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"Bond Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

"Bondholder" or "Holder" or "Owner" means the registered owner at the time in question of any Bond, as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

"Bond Payment Date" means any date on which a Debt Service Payment shall be payable on any of the Bonds according to their terms so long as any of the Bonds shall be Outstanding.

"Bond Proceeds" means the sum of the face amount of the Series 2021 Bonds or a series of Additional Bonds as the case may be, plus accrued interest, if any, and original issue premium, if any, less the sum of original issue discount, if any, plus the underwriter's spread or similar discount, if any.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated August [], 2021, from the Underwriter and accepted by the Issuer and the Library, as the same may be amended from time to time.

"Bond Registrar" means the Trustee, acting as such, and any successor bond registrar for the Bonds appointed pursuant to Article IX of the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Bond Resolution" means the resolutions adopted by the Issuer on July 26, 2021 authorizing the issuance, execution, sale and delivery of the Series 2021 Bonds and the execution and delivery of the Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Bond Year" means the one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year begins on the dated date of original issuance of the Bonds and ends one (1) year later.

"Business Day" means a day other than a Saturday, Sunday, legal holiday or other day on which the Trustee is authorized by law or executive order to remain closed.

"Capital Additions" means all property or interests in property, real, personal and mixed (a) which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the Project Facility, and (b) the cost of which is properly capitalized under generally accepted accounting principles.

"Certificate of Authentication of the Trustee" and "Authentication" means the certificates executed by an authorized officer of the Trustee certifying the due authentication of the Series 2021A Bonds in the aggregate principal amount of \$[] and the Series 2021B Bonds in the aggregate principal amount of \$[].

"Closing Date" means the date of sale and delivery of the Series 2021 Bonds pursuant to the Indenture, being August [], 2021.

"Code" means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed regulations of the United States Department of the Treasury promulgated thereunder. References to Sections of the Code shall be construed also to refer to successor and renumbered sections.

"Computation Period" means each period from the date of original issuance of the Bonds through the date on which a determination of the Rebate Amount is made.

"Condemnation" means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under Governmental Authority.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of August [], 2021, between the Library and the Trustee, as the same may be amended from time to time.

"Debt Service Payment" means, with respect to any Bond Payment Date, (i) the interest payable on such Bond Payment Date on the Bonds Outstanding (including any Additional Bonds), plus (ii) the principal or Redemption Price, if any, payable on such Bond Payment Date on the Bonds Outstanding, plus (iii) the premium, if any, payable on such Bond Payment Date on the Bonds Outstanding.

"DTC" or "Depository" means The Depository Trust Company, New York, New York and its successors and assigns.

"Earnings Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

"Environmental Laws" mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the Environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances (as defined below) and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Equipment" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Event of Default" means any of those events defined as Events of Default by Section 8.01 of the Indenture.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all expenses incurred by the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses including but not limited to, the services rendered and expenses reasonably incurred by the Trustee with respect to any Event of Default under the Financing Documents, or the happening of an occurrence which, with the passage of time or the giving of a notice, would ripen into an Event of Default.

"Facility" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Final Official Statement" means the Official Statement, dated August [], 2021, relating to the issuance and initial sale of the Series 2021 Bonds.

"Financing Documents" means, collectively, the Series 2021 Bonds, the Indenture, the Loan Agreement, the Fiscal Agency Agreement, the Assignment, the Tax Compliance Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Final Official Statement, any other document or instrument executed in connection therewith, and any other instrument or document supplemental thereto.

"Fiscal Agent" means, Manufacturers and Traders Trust Company, a trust company organized and existing under the laws of the State, having its principal corporate trust office having a corporate trust office at 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202, acting in its capacity as fiscal agent for the Issuer with respect to the Series 2021 Bonds.

"Fiscal Agency Agreement Assignment" means Pledge and Assignment (Fiscal Agency Agreement) with Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Fiscal Agent to the Trustee pursuant to which the Fiscal Agent assigns to the Trustee all of its rights under the Fiscal Agency Agreement.

"Governmental Authority" means the United States, the State, and any other state or any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of these, having jurisdiction over the construction, equipping, ownership, leasing, operation and/or maintenance of the Project Facility.

"Governmental Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

"Hazardous Substances" means any substance (i) the presence of which requires investigation or remediation under any Environmental Law; or (ii) which is or becomes defined as a "hazardous waste", "hazardous substance", "toxic substance", "solid waste", pollutant and/or or contaminant under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, et seq.), as amended, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Clean Air Act (42 U.S.C. Sections 7401, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Clean Water Act, as amended (33 U.S.C. Sections 1251, et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C.A. Sections 651, et seq.), Articles 15 or 27 of the New York State Environmental Conservation Law, and/or any other applicable Environmental Law or any regulations promulgated under any of the foregoing; or (iii) which is toxic (including, but not limited to, toxic mold), explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, corporation, department, commission, board, corporation or instrumentality of the United States, the State of New York or any political subdivision thereof; or (iv) the presence of which on the Land causes or threatens to cause a nuisance upon the Land or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Land; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation.

"Improvements" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Indenture" means the Indenture of Trust, dated as of August 1, 2021, by and between the Issuer and the Trustee pursuant to which the Series 2021 Bonds are authorized to be issued, as amended or supplemented by any Supplemental Indenture.

"Independent Counsel" means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court in the State.

"Interest Payment Date" means the first day of each March and September (or the next succeeding Business Day if such first day is not a Business Day), commencing March 1, 2022.

"Issuer" means the Onondaga Civic Development Corporation and its successors and assigns.

"Issuer Documents" means the Bonds, the Indenture, the Loan Agreement, the Assignment, the Fiscal Agency Agreement, the Tax Compliance Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the Final Official Statement.

"Land" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Letter of Representations" means the Blanket Letter of Representations of the Issuer on file with the Depository.

"Library" means Onondaga Free Library, a free association library and a New York not-for-profit corporation chartered by the New York State Board of Regents-State Education Department and holding Section 501(c)(3) status under the Internal Revenue Code of 1986, as amended and having its office at 4840 West Seneca Turnpike, Syracuse, New York 13215, and its successors and assigns.

"Library Documents" means the Loan Agreement, the Tax Compliance Agreement, the Fiscal Agency Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Acknowledgement, the Preliminary Official Statement and the Final Official Statement.

"Lien" means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar encumbrances, including but not limited to, mechanics', materialmen's, warehousemen's and carriers' liens and other similar encumbrances affecting real property. For the purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Loan Agreement" means the Loan Agreement, dated as of August 1, 2021, by and between the Issuer and the Library, as the same may be amended from time to time.

"Loan Agreement Assignment" means the Pledge and Assignment (Loan Agreement) with Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Issuer to the Trustee pursuant to which the Issuer assigns to the Trustee all of its rights under the Loan Agreement (except the Unassigned Rights).

"Loan Payments" means all payments made by the Library pursuant to the Loan Agreement.

"Loss Event" shall have the meaning specified in Section 5.1 of the Loan Agreement.

"Maturity Date" means with respect to the (i) Series 2021A Bonds, March 1, 2037 and (ii) Series 2021B Bonds, March 1, 2023.

"Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys' fees and Trustee's fees) incurred in obtaining such gross proceeds.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.12 of the Indenture.

"Office of the Trustee" means the corporate trust office of the Trustee located at 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202, Attention: Corporate Trust Administration, or at such other address as the Trustee may designate from time to time to the Issuer, or the office of any successor Trustee.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those expenses normally incurred by a trustee or paying agent under instruments similar to the Indenture, including reasonable fees and disbursements of counsel to the Trustee.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds" means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, or any Supplemental Indenture, except (a) any Bond canceled by the Trustee because of payment; (b) any Bond deemed paid in accordance with the provisions of Section 7.01 of the Indenture; (c) any Bond for the redemption of which there has been separately set aside and held in the Bond Fund moneys in an amount sufficient to effect payment of the principal or applicable Redemption Price thereof, together with accrued interest on such Bond to the Redemption Date, in accordance with Section 3.03 of the Indenture; and (d) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Sections 2.05, 2.08, 2.09 or 2.11 of the Indenture.

"Participant" means any of those brokers, dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

"Paying Agent" means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article IX of the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Permitted Encumbrances" means (i) the Assignment, (ii) mechanics', materialmen's, warehousemen's, carriers' and other similar Liens which are approved in writing by the Issuer, (iii) Liens for taxes not yet delinquent, and any other documents executed and delivered by the Issuer and/or the Library in connection with the issuance of the Bonds and (iv) any other Liens consented to by the Issuer writing.

"Person" means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

"Preliminary Official Statement" means the Preliminary Official Statement, dated [____], 2021, relating to the issuance and initial sale of the Series 2021 Bonds.

"Project" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Project Costs" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Project Facility" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Project Fund" means the fund so designated which is created by Section 4.01 of the Indenture

"Property" means any and all rights, titles and interests in and to any and all property whether real or personal, tangible or intangible and wherever situated.

"Rating Agency" means any nationally recognized securities rating organization.

"Rebate Amount" means with respect to the Bonds, the amount computed as described in Section 7.3 of the Tax Compliance Agreement.

"Rebate Fund" means the fund so designated and created pursuant to Section 4.01 of the Indenture.

"Record Date" means the Regular Record Date or the Special Record Date, as the case may be.

"Redemption Date" means the date determined by the Trustee pursuant to the Indenture as the date as of which a redemption shall be effective.

"Redemption Price" means, when used with respect to a Bond, the principal amount thereof plus the applicable redemption premium, if any, payable thereon, plus accrued interest to the Redemption Date.

"Regular Record Date" means, with respect to any Bond Payment Date, the fifteenth (15th) day of the calendar month (whether or not a Business Day) next preceding such Bond Payment Date.

"Renewal Fund" means the fund so designated and created pursuant to Section 4.01 of the Indenture.

"Series 2008 Bonds" shall have the meaning ascribed to such term in the recitals to the Indenture.

"Series 2021 Bonds" means, collectively, the Series 2021A Bonds and the Series 2021B Bonds.

"Series 2021A Bonds" means the \$[_____] original principal amount of Onondaga Civic Development Corporation Revenue Refunding Bonds, Series 2021A (Onondaga Free Library Project).

"Series 2021B Bonds" means the \$[_____] original principal amount of Onondaga Civic Development Corporation Taxable Revenue Refunding Bonds, Series 2021B (Onondaga Free Library Project).

"Special Record Date" means a date for the payment of interest on the Bonds after an Event of Default has occurred fixed by the Trustee pursuant to Section 2.03(b) of the Indenture.

"State" means the State of New York.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture, which may be executed by the Issuer and the Trustee in accordance with Article X of the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the Closing Date, by and between the Issuer and the Library, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and the Indenture.

"Trustee" means Manufacturers and Traders Trust Company, a New York banking corporation and its successors and any corporations resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Trust Estate" means all Property which may from time to time become subject to the Lien of the Indenture.

"Unassigned Rights" means

- (i) the right of the Issuer in its own behalf to receive all opinions of counsel, reports, financial

statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Library to complete the Project;

(iv) the right of the Issuer to require any indemnity from any Person;

(v) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Sections 3.1, 3.3, 3.5, 3.6, 4.2(a)(i), (vii) and (viii), 4.3, 4.4, 4.5, 5.1, 5.2, 5.3, 5.4, 7.1, 7.2, 7.3, 7.4, 7.5, 7.7, 7.9, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 8.2, 8.3, 8.4, 8.6, 9.1, 9.3, 10.3, 10.9, 10.10 and 10.11 of the Loan Agreement.

Notwithstanding the preceding sentence, to the extent the obligations of the Library under the Sections of the Loan Agreement listed above do not relate to the payment of moneys to the Issuer for its own account or to the members, directors, officers, agents and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Loan Agreement Assignment, shall be deemed to and shall constitute obligations of the Library to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Library's obligations under the Loan Agreement.

"Underwriter" means Robert W. Baird & Co., Inc., having its principal office at One Harding Road, Suite 207, Red Bank, New Jersey 07701, or its successors or assigns.

APPENDIX E

ONONDAGA CIVIC DEVELOPMENT CORPORATION

and

ONONDAGA FREE LIBRARY

and

TOWN OF ONONDAGA

and

**MANUFACTURERS AND TRADERS TRUST COMPANY,
as FISCAL AGENT**

FISCAL AGENCY AGREEMENT

DATED AS OF AUGUST [__], 2021

\$[_____] Onondaga Civic Development Corporation
Revenue Refunding Bonds
(Onondaga Free Library Project), Series 2021A

and

\$[_____] Onondaga Civic Development Corporation
Taxable Revenue Refunding Bonds
(Onondaga Free Library Project), Series 2021B

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FISCAL AGENCY AGREEMENT

THIS FISCAL AGENCY AGREEMENT (hereinafter the "Agreement"), dated as of August [], 2021, among the **ONONDAGA CIVIC DEVELOPMENT CORPORATION**, a not-for-profit local development corporation duly organized, existing and in good standing under the laws of the State of New York (the "*State*"), having its principal office at 333 W. Washington Street, Syracuse, New York 13202 (the "*Issuer*"), the **ONONDAGA FREE LIBRARY**, a free association library and a New York not-for-profit corporation chartered by the New York State Board of Regents-State Education Department and holding Section 501(c)(3) status under the Internal Revenue Code of 1986, as amended and having its office at 4840 West Seneca Turnpike, Syracuse, New York 13215 (the "*Library*"), the **TOWN OF ONONDAGA, NEW YORK**, a town of the State, having its office at 5020 Ball Road, Syracuse, New York 14203 (the "*Town*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a trust company organized and existing under the laws of the State, having its principal corporate trust office at 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202 (the "*Fiscal Agent*"), acting in its capacity as fiscal agent for the Issuer with respect to the bonds hereinafter described.

WITNESSETH:

WHEREAS, pursuant to the purposes and powers contained within the Act, its certificate of incorporation filed on August 10, 2009 and the Certificate of Amendment of the Certificate of Incorporation of the Issuer filed on October 5, 2009, and Resolution No. 192 as amended by Resolution No. 472, adopted by the Onondaga County Legislature on October 6, 2009 and September 6, 2011, respectively (collectively, the "County Resolution"), the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Library has submitted an application (the "Application") to the Issuer in connection with a certain Project (the "Project") requesting that the Issuer issue its (i) \$[] Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A (the "Series 2021A Bonds") and (ii) \$[] Onondaga Civic Development Corporation Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B (the "Series 2021B Bonds"; and, together with the Series 2021A Bonds, the "Bonds") for the purpose of (A) refunding all or a portion of the outstanding principal amount \$3,000,000 original principal amount Onondaga County Industrial Development Agency Civic Facility Revenue Bonds (Onondaga Free Library Project), Series 2008, the proceeds of which were used to finance a certain project consisting of (1) the acquisition by the Issuer of an interest in certain lands of the Library located at 4840 West Seneca Turnpike in the Town of Onondaga, Onondaga County, New York (the "Land"), together with the existing 7,000 square-foot public library located thereon (the "Existing Facility"); (2) the renovation of the Existing Facility and the construction of an approximately 15,000 square foot addition to the Existing Facility (the "Addition"; and, together with the Existing Facility referred to as the "Facility"); and (3) the acquisition and installation in and around the Facility of certain machinery and equipment (collectively, the "Equipment"; and, together with the Land and the Facility being collectively referred to as the "Project Facility"); and (B) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds; and

WHEREAS, pursuant to Section 259 of the Education Law of the State, the qualified voters of the Town have voted upon and approved the levy of the Annual Tax (as defined herein); and

WHEREAS, the Education Law of the State provides that, unless otherwise directed by vote of the qualified voters of the Town (no such direction heretofore being provided at such vote), the Annual Tax shall be considered an annual appropriation and shall be received and collected yearly by the Town for the Library in the same manner and at the same time as other Town taxes; and

WHEREAS, the Library submitted the Application to the Issuer for financial assistance in the form of the issuance of the Bonds with respect to the Project (the "Financial Assistance"), the Issuer has approved such application, has determined to provide financial assistance to the Library with respect to the Project through the issuance of the Bonds, interest on which is not includable in either the gross income of the owners thereof for federal tax purposes or in personal income taxes imposed by the State or any political subdivision thereof; and

WHEREAS, all other conditions precedent to the issuance of the Bonds and the execution of this Agreement have been duly had and taken and satisfied; and

WHEREAS, to secure payment when due the principal of, interest on, and redemption premium, if any, for the Bonds it is necessary for the Library to assign its rights in the Annual Tax in the manner set forth in this Agreement and for the Town to pay amounts received through the Annual Tax to the Fiscal Agent in the manner set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises hereinabove recited, the parties to this Agreement each hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.01 Authority for the Agreement. This Agreement is entered into by virtue of the Act and pursuant to its provisions, and the Issuer and the Library have ascertained and hereby determine that each and every matter and thing as to which provision is made in this Agreement is necessary in order to secure the payment of the Bonds.

Section 1.02 Agreement to Constitute Contract. In consideration of the purchase and acceptance of the Bonds, from time to time, the provisions of this Agreement shall be deemed to be and shall constitute a contract between the Issuer, the Library, the Town, the Fiscal Agent and the Holders (as defined herein) from time to time of the Bonds and the covenants and agreements herein set forth shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of their maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

Section 1.03 Scope of Agreement. Nothing in this Agreement shall limit the power of the Issuer to issue obligations of the Issuer outside this Agreement for any lawful purpose of the Issuer or the Library, including obligations to complete, reconstruct, restore or equip the Project Facility, so long as the security therefor is not the Annual Tax or liens on the Annual Tax. Any lien on the Annual Tax shall be expressly subordinate to the lien of this Agreement.

Section 1.04 Construction.

(a) In this Agreement (except as otherwise expressly provided or unless the context clearly otherwise requires) the singular includes the plural, the masculine includes the feminine, all definitions and references to documents include all amendments or supplements thereto, and all definitions and references to Persons or entities include their respective successors and assigns.

(b) Words importing the "redemption," "redeemed" or "calling for redemption" of Bonds do not include or connote the payment of Bonds at their stated maturity, or the payment of Bonds upon declaring such Bonds due and payable in advance of their maturity, or the purchase of Bonds.

(c) All references in this Agreement to designated "Articles," "Sections" and other subdivisions of this Agreement are to the designated Articles, Sections or other subdivisions of this Agreement as amended from time to time. The words "herein," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision unless otherwise specified.

Section 1.05 Definitions. The following terms whenever used in this Agreement shall have the meanings set forth in this Section except as otherwise expressly provided or unless the context clearly requires otherwise:

"Act" shall mean Section 1411 of the Not-For-Profit Corporation Law of the State of New York as amended.

"Addition" shall mean the approximately 15,000 square foot addition to the Existing Facility.

"Agreement" shall mean this Fiscal Agency Agreement, among the Issuer, the Library, the Town and the Fiscal Agent, as the same may be from time to time amended, supplemented or modified in accordance with the provisions hereof.

"Annual Tax" shall mean the annual tax to be levied by the Town upon the taxable real property that is located within the boundaries of the Town, for Library purposes in accordance with State Education Law Section 259.

"Authorized Representative" shall mean the Person or Persons at the time designated to act on behalf of the Issuer or Library, as the case may be, by written certificate furnished to the Fiscal Agent containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chair or its President/CEO, or such other person as may be authorized by the Board of Directors of the Issuer on behalf of the Issuer, and (B) the Library by its President, Vice President, Treasurer, or Director, or such other person as may be authorized by the board of trustees of the Library on behalf of the Library.

"Beneficial Owners" shall mean Holders of Bonds whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository.

"Bonds" shall mean the Issuer's (i) \$[] Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A and (ii) \$[] Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B.

"Bond Payment Fund" shall mean the Bond Payment Fund established pursuant to Section 2.06 of this Agreement.

"Business Day" or *"business day"* shall mean any day (other than Saturday or Sunday) during which (i) commercial banks located in the State are not required or authorized by law to close, and (ii) the New York Stock Exchange, Inc. is not closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and with respect to a specific section thereof, such reference shall be deemed to include (i) the regulations promulgated under such section; (ii) any successor provision of similar import hereafter enacted; (iii) any corresponding provisions of any subsequent Internal Revenue Code; (iv) the regulations prescribed under the provisions described in (ii) and (iii); and (v) any published revenue rulings applicable thereto.

"Depository" or "DTC" shall mean The Depository Trust Company, New York, New York, or any other entity performing substantially the same function under a Book Entry System, and any successor depository designated by the Issuer.

"Equipment" shall mean all materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Loan Agreement, including, without limitation, all of the property described in Exhibit B attached to the Loan Agreement.

"Existing Facility" shall mean the approximately 7,000 square foot library building located on the Land.

"Facility" shall mean the Existing Facility and the Addition.

"Financing Documents" shall mean the Indenture, this Agreement, the Loan Agreement, the Pledge and Assignment, and all other documents or instruments executed in connection therewith (except the Arbitrage Certificate and the Tax Compliance Agreement executed in connection with the Bonds).

"Fiscal Agent" shall mean Manufacturers and Traders Trust Company, Buffalo, New York, or its successor, in its capacity as fiscal agent for the Issuer, with respect to the Bonds.

"Fiscal Year" shall mean the fiscal year of the Library ending December 31.

"Government Obligations" shall mean United States Treasury bills or other interest-bearing direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the principal and interest of which are unconditionally guaranteed as to full and timely payment by, the United States of America, but not mutual funds (including unit investment trusts) investing in such obligations other than money market funds that are rated in the highest category by Moody's and S&P.

"Holders," as used with respect to ownership of Bonds, shall mean the registered owners of the Bonds.

"Indenture" shall mean the Indenture of Trust, between the Issuer and Manufacturers and Traders Trust Company, dated as of August 1, 2021, as the same may be amended, supplemented and modified in accordance with the terms thereof providing for the issuance of the Bonds.

"Interest Payment Date" means the first day of March and September of each year, commencing March 1, 2022, while the Bonds are outstanding.

"Investment Securities" shall mean and include any of the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from either Government Obligations or obligations of the Resolution Trust Company, which interest coupons are guaranteed by the United States of America;
- (c) bonds, debentures, notes or other evidence of indebtedness issued by any of the following: Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Bank, Export-Import Bank of the United States, or Federal Land Banks, or of the Resolution Trust Company;
- (d) all other obligations issued or unconditionally guaranteed as to the timely payment of principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress;
- (e) (i) interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Fiscal Agent), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or any successor federal deposit insurance corporation or entity; or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Fiscal Agent), provided such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution which either (A) has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A-" or better by S&P, or (B) is the lead bank of a parent bank holding company with an unsecured, uninsured and unguaranteed obligation meeting the rating requirements in (e)(ii)(A) above, and provided further that with respect to (i) and (ii) any such obligations are held by the Fiscal Agent or a bank, trust company or national banking association other than the issuer of such obligations (unless the issuer is the Fiscal Agent);
- (f) money market funds rated "Am" or "Am-G" or better by Moody's and S&P;
- (g) commercial paper rated "Prime-1" or better by Moody's and "A-1" or better by S&P; and
- (h) obligations rated "A3" or better by Moody's and "A-" or better by S&P.

"Issuer" shall mean (i) Onondaga Civic Development Corporation and its successors and assigns and (ii) any not-for-profit corporation resulting from or surviving any consolidation or merger to which the Onondaga Civic Development Corporation or its successors or assigns may be a party.

"Land" shall mean that certain parcel of land located at 4840 West Seneca Turnpike in the Town of Onondaga, New York, more particularly described in Exhibit A to the Loan Agreement.

"Library" shall mean (i) Onondaga Free Library, a New York not-for-profit corporation qualified as such by charter granted by New York State Board of Regents-State Education Department and holding Section 501(c)(3) status under the Code and its successors and assigns and (ii) any New York not-for-profit corporation, public corporation or political subdivision of the State resulting from or surviving any consolidation or merger to which the Library or its successors may be a party.

"Loan" or *"Loan Agreement"* shall mean the Loan Agreement, dated as of August 1, 2021, between the Issuer and the Library, as the same may from time to time be amended, supplemented or modified in accordance with the terms thereof.

"Moody's" shall mean Moody's Investors Service, Inc., New York, New York, its successors and assigns, or if such corporation dissolves or no longer performs the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the Issuer and not unacceptable to the Fiscal Agent.

"Person" shall mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a state, a government or political subdivision or any agency or instrumentality thereof.

"Pledge and Assignment" shall mean the Pledge and Assignment by the Issuer to Manufacturers and Traders Trust Company, as trustee with Acknowledgement thereof by the Library dated as of August 1, 2021.

"Project Facility" shall mean the Land, the Facility and the Equipment.

"Rating Agencies" shall mean S&P, Moody's, or any other nationally recognized credit rating agency, to the extent that such entity then maintains a credit rating with respect to the relevant security.

"Rebate Amount" shall mean all interest income and profits earned on the investment of the proceeds of tax-exempt bonds which is required to be paid to the United States under Section 148 of the Code, calculated and determined in accordance with the Regulations in effect from time to time under that Section.

"Rebate Fund" shall mean the fund so designated which is established pursuant to Section 3.07 of this Agreement.

"S&P" shall mean Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, New York, New York, its successors and assigns, or if such corporation dissolves or no longer performs the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the Agency and not unacceptable to the Fiscal Agent.

"State" shall mean the State of New York.

"Tax Compliance Agreement" shall mean the Tax Compliance Agreement, dated as of August [], 2021, as the same may from time to time be amended, supplemented or modified in accordance with the terms thereof.

"Town" shall mean the Town of Onondaga, New York.

References to time in this Agreement, except where otherwise noted, shall mean prevailing local time in New York, New York.

ARTICLE II

THE FISCAL AGENT: APPOINTMENT, ACCEPTANCE, COVENANT, DUTIES

Section 2.01 Appointment. The Agency hereby appoints Manufacturers and Traders Trust Company, Buffalo, New York, as Fiscal Agent for the Bonds, in accordance with the terms and conditions set forth herein and the Act.

Section 2.02 Acceptance. The Fiscal Agent hereby accepts such appointment and agrees to execute the duties of Fiscal Agent upon the terms set forth in this Agreement and represents that it has the power and authority to act as fiscal agent of the Agency with respect to the Bonds and agrees to remain so authorized for the term of this Agreement. The Fiscal Agent acknowledges that it has received and read the Indenture.

Section 2.03 No Responsibility for Recitals. The recitals, statements and representations contained in this Agreement, in the Indenture and in the Loan Agreement shall be taken and construed as made by and on the part of the other parties thereto and not by the Fiscal Agent (except as otherwise expressly provided in this Agreement) and the Fiscal Agent assumes, and shall be under no responsibility or obligation for, the correctness of same.

Section 2.04 Power to Act Through Agents; Liability Limited.

(a) The Fiscal Agent may perform the duties required by it under this Agreement or any of the Financing Documents by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters hereunder or any of the Financing Documents, and the Fiscal Agent shall not be answerable for the default or misconduct of any such attorneys or agents selected by it in good faith and shall be wholly protected as to any action taken or omitted to be taken in reliance on advice of such attorneys. The Fiscal Agent shall not be answerable for the exercise of any discretion or power under this Agreement or any of the Financing Documents, except only its own willful misconduct or gross negligence. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Fiscal Agent may rely conclusively on any notice, resolution, certificate, statement, instrument, opinion, report, request, direction, consent, or other document furnished to it under any Financing Document and reasonably believed by it to be genuine. The Fiscal Agent shall not be bound to make any investigation into the facts or matters stated in any such document. No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability for the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall believe that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(b) Whenever any provision of this Agreement, the Indenture, any of the other Financing Documents, or any other documents delivered to the Fiscal Agent in connection therewith requires that some action or condition be satisfactory to the Fiscal Agent, the Fiscal Agent, in a case in which it has been presented with a demand for action, will promptly notify the Authorized Representative of either the Library or Issuer, as the case may be, and the Fiscal Agent shall not be required to take any other action unless and until so directed by the Authorized Representative.

Section 2.05 Delivery of the Bonds. The Fiscal Agent acknowledges that (a) the Bonds, when issued, will be in the form of fully registered bond certificates, registered in the name of Cede & Co., as nominee of DTC; (b) so long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, all bond certificates will be immobilized in the custody of DTC, and, during such time, all records of Beneficial Ownership of Bonds will be maintained by DTC or entities which participate, directly or

indirectly, in DTC; and (c) in the event DTC discontinues providing its services with respect to the Bonds, or the involvement of DTC with respect to the Bonds as referred to in the clauses (a) and (b) of this Section is otherwise terminated, the Issuer will prepare, and the Fiscal Agent may be required to authenticate and will be required to make available for delivery to Persons having Beneficial Ownership, Bonds in the form of bearer certificates. In the event the contingency described in clause (c) of the foregoing sentence occurs, the Fiscal Agent shall be entitled to reasonable compensation from the Library for its services relative thereto and reimbursement for out-of-pocket expenses reasonably incurred in rendering its services hereunder (including, without limitation, attorneys' fees and expenses), which shall be payable not later than thirty (30) days after receipt by the Library of an invoice for such services; provided, however, that the Fiscal Agent shall be obligated to obtain approval of the Library of its proposed fees for the services described in such clause (c) prior to delivery of such services. The Fiscal Agent shall have no obligation to provide the services set forth in such clause (c) if its proposed fees are not approved by the Library.

Section 2.06 Bond Payment Fund and Deposit of Annual Tax in Bond Payment Fund. The Fiscal Agent shall establish and maintain a Bond Payment Fund, which shall be held by the Fiscal Agent in trust separate and apart from all other funds and accounts established under this Agreement and from other moneys of the Fiscal Agent. Upon receipt of any moneys being all or part of any Annual Tax, the Fiscal Agent shall immediately deposit into the Bond Payment Fund an amount sufficient to pay interest, principal and premium, if any, that is due and payable on the Bonds during the then current Fiscal Year, after taking into account the amount, if any, then on deposit in the Bond Payment Fund. The Fiscal Agent shall immediately pay to the Library, in accordance with the Library's written payment instructions, the amount of the Annual Tax proceeds, if any, in excess of the amount required to be deposited into the Bond Payment Fund under the preceding sentence, after deducting therefrom the Fiscal Agent's fees and expenses determined in accordance with Section 2.14 hereof. Receipt by the Fiscal Agent of Annual Tax proceeds in an amount sufficient to pay interest, principal and premium, if any, then due and payable on the Bonds and each other amount due from the Library under this Agreement shall satisfy the obligation of the Library to make loan payments under Section 4.2(a)(iii) and (iv) of the Loan Agreement.

Section 2.07 Investment of Moneys in the Bond Payment Fund. Pending payment of interest, and principal and redemption premium, if any, on the Bonds, as provided in Section 2.08 of this Agreement, moneys in the Bond Payment Fund shall, upon and pursuant to written or oral (promptly confirmed in writing) investment instructions from the Authorized Representative of the Library, be invested in Investment Securities. In the absence of such instruction, such moneys shall be held uninvested. Such instructions may authorize specific transactions with respect to the deposits to be made or the Investment Securities to be purchased and the prices to be paid, and may include general instructions for future reinvestments of cash as and when such obligations are paid or redeemed. The scope of such general instructions shall be satisfactory to the Fiscal Agent which may, if it deems it advisable, from time to time require specific instructions or general instructions within defined limits. All investments made pursuant to this Section 2.07 shall mature or be subject to redemption at not less than the principal amount thereof or the cost of acquisition, whichever is lower, and all deposits in time accounts shall be subject to withdrawal, not later than the date when the amounts will foreseeably be needed to pay Bonds, as provided in Section 2.08 of this Agreement, or pay costs of issuance, as provided in Section 3.06 of this Agreement. The interest and income received upon such investments and any interest paid by the Fiscal Agent or any other depository and any profit or loss resulting from the sale of any investment shall be added or charged to the respective fund. The Fiscal Agent shall rely and act solely upon the investment instructions from the Authorized Representative of the Library and shall not be responsible for any inaccuracies, misstatements or misrepresentations therewith. The Fiscal Agent shall not be responsible for any depreciation in value or any loss arising from such investments. The Fiscal Agent may make any investment made pursuant to this Section 2.07 through its own investment department. The Fiscal Agent is hereby authorized, in making or disposing of any investment made

pursuant to this Section 2.07, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether any such affiliate is acting as agent of the Fiscal Agent or for any third person or dealing as principal for its own account..

Section 2.08 Payment of Bonds.

(a) The Library hereby instructs the Fiscal Agent, and the Fiscal Agent hereby agrees, provided adequate funds have been provided to it for such purpose by or on behalf of the Library and solely from moneys on deposit in the Bond Payment Fund, without instruction or further direction from either the Issuer or the Library, to timely transfer to the Bond Fund created pursuant to the Indenture to make payments of interest, principal and, redemption premium, if any, on the Bonds on the dates as and when the same shall become due and payable, as set forth in Appendix A. So long as all Bonds are held by Beneficial Owners, all such payments shall be made to the Depository in accordance with procedures established by the Depository. The Fiscal Agent shall rely and act solely upon the payment schedules set forth in Appendix A and shall not be responsible for any inaccuracies, misstatements or misrepresentations therewith.

(b) Notwithstanding any other provision of this Agreement, the Library agrees to provide to the Fiscal Agent moneys to permit the Fiscal Agent to timely make payments of interest, principal and, or, redemption premium, if any, on the Bonds on the dates as and when the same shall become due and payable as set forth in Appendix A, and as further provided in Section 2.03 of the Indenture. The obligation of the Library to make the payments required hereunder and to perform and observe any and all other covenants and agreements on its part contained herein shall be a general obligation of the Library and shall be absolute and unconditional irrespective of any defense or right of set-off, recoupment or counterclaim it may otherwise have against any other party to this Agreement.

Section 2.09 Appointment of Co-Fiscal Agent.

(a) It is the purpose of this Agreement that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as fiscal agent in such jurisdiction. It is recognized that in case of litigation under this Agreement or under any of the Financing Documents, and in particular in case the Fiscal Agent deems that by reason of any present or future law of any jurisdiction it may not perform any of the duties herein appointed to the Fiscal Agent, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Fiscal Agent appoint an additional institution as a separate fiscal agent or co-fiscal agent. The following provisions of this Section are adapted to these ends.

(b) In the event that the Fiscal Agent appoints an additional institution as a separate fiscal agent or co-fiscal agent, each and every duty expressed or intended by this Agreement to be performed by the Fiscal Agent shall also be performable by such separate fiscal agent or co-fiscal agent but only to the extent necessary to enable such separate fiscal agent or co-fiscal agent to perform such duties, and every covenant and obligation necessary to the performance thereof by such separate fiscal agent or co-fiscal agent shall run to and be enforceable by either the Fiscal or by the separate fiscal agent or co-fiscal agent. Such separate fiscal agent or co-fiscal agent may be removed by the Fiscal Agent at any time, with or without cause.

(c) Should any instrument in writing from the Issuer or the Library be required by the separate fiscal agent or co-fiscal agent so appointed or removed by the Fiscal Agent to enable it to fully perform such duties, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer or the Library. In case any separate fiscal agent or co-fiscal agent, or a

successor to either, shall become incapable of acting, resign or be removed, all the duties of such separate fiscal agent or co-fiscal agent, so far as permitted by law, shall be performed by the Fiscal Agent until the appointment of a new Fiscal Agent or successor to such separate fiscal agent or co-fiscal agent.

Section 2.10 Waiver of Right of Set-Off. The Fiscal Agent hereby waives any right of set-off which it may otherwise have against the Bond Payment Fund or any other fund or account established under this Agreement.

Section 2.11 Resignation/Discharge. The Fiscal Agent may resign at any time upon sixty (60) days' prior written notice to the Issuer and the Library, and either the Library or the Issuer may discharge the Fiscal Agent at any time; provided, however, that no resignation or discharge shall be effective until the appointment by the Issuer of a successor Fiscal Agent, the transfer of all accounts established pursuant hereto to such successor Fiscal Agent and the acceptance of such appointment in writing by the successor Fiscal Agent. In the event the Issuer shall fail to appoint a successor Fiscal Agent within sixty (60) days of the date of receipt of the Fiscal Agent's notice of resignation, the Fiscal Agent may petition any court of competent jurisdiction to appoint a successor Fiscal Agent. The Library hereby agrees to diligently attempt to locate a successor Fiscal Agent for the Issuer to appoint and the Library and the Issuer agree to cooperate in any such petition.

Section 2.12 Liability. Except as expressly otherwise provided in this Agreement, the Fiscal Agent assumes no fiduciary duty to the Holders of the Bonds, nor any obligation or relationship of agency or trust or any duty of inquiry to any of them, but shall act solely as agent for the Issuer.

Section 2.13 Fiscal Agent's Performance Standard. Subject to Section 2.04, the Fiscal Agent shall be responsible to the Issuer for the performance in a commercially reasonable manner of the services to be performed by it as provided in this Agreement. In the event the Fiscal Agent performs in a commercially reasonable manner the services to be performed by it as provided in this Agreement and a suit at law is brought for any reason arising out of or relating to this Agreement, the Library agrees to indemnify and hold harmless, to the extent permitted by law, the Fiscal Agent, its officers and employees from and against all liabilities, claims, damages, costs and expenses (including actual and reasonable legal fees) arising therefrom. The provisions of this Section 2.13 shall survive the termination of this Agreement and the resignation of the Fiscal Agent. The Fiscal Agent shall not be liable to the Issuer for any losses which may result due to the Fiscal Agent's inability to perform its responsibilities for reasons beyond its control.

Section 2.14 Fiscal Agent Fees. The Library shall pay or cause to be paid to the Fiscal Agent (a) an acceptance and administrative fee, including counsel fees and all other expenses and disbursements, of \$11,750, payable by the Library at closing, and (b) an annual fee of \$2,500 with respect to the Series 2021A Bonds **and** \$2,000 with respect to the Series 2021B Bonds, plus the Fiscal Agent's reasonable expenses including reasonable attorney's fees. The Fiscal Agent's annual fee and expenses shall be payable by the Library within thirty (30) calendar days after receipt by the Library of an invoice with respect thereto executed by the Fiscal Agent; provided however that the Fiscal Agent's initial annual fee shall be payable at closing. The Fiscal Agent may deduct its annual fee and expenses from the balance of the Annual Tax remaining after the deposit to the Bond Payment Fund required under Section 2.06 hereto, provided the Fiscal Agent has delivered to the Library an invoice for such fee and expenses no less than thirty (30) days prior to application of the Annual Tax to the payment of such items. The provisions of this Section 2.14 shall survive the termination of this Agreement.

Section 2.15 Continued Effect. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall remain in effect so long as any Bond remains unpaid or any moneys are on deposit in any account established hereunder, during which time the Fiscal Agent shall perform the duties

and services herein set forth in accordance with its normal standards therefore, unless the Fiscal Agent shall resign or shall be discharged pursuant to Section 2.11 of this Agreement.

Section 2.16 Reliance on Instructions. The Authorized Representative of the Issuer and the Library, or their respective designee, shall give any instructions required or permitted to be given by the Issuer or the Library, respectively, with respect to this Agreement and the Fiscal Agent may act on any such instructions which it in good faith believes to have been given by the Issuer or the Library, respectively, or their respective designee.

Section 2.17 Merger of Fiscal Agent. Any corporation into which any Fiscal Agent hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Fiscal Agent hereunder shall be a party, shall be the successor Fiscal Agent under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 2.18 Records. The Fiscal Agent shall keep such books and records as shall be consistent with industry practice and will make such books and records available for inspection by either the Library or the Issuer at all reasonable times.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND CONSENTS

Section 3.01 Representations and Warranties of the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a not-for-profit local development corporation duly organized, existing and in good standing under the laws of the State of New York.

(b) The Issuer has the right and lawful authority and power to execute and deliver this Agreement, to perform the obligations and covenants contained herein and to consummate the transactions contemplated hereby.

(c) The Issuer has duly authorized, by all necessary actions, the execution and delivery of this Agreement and the performance of the obligations and covenants hereunder and the consummation of the transactions contemplated hereby.

(d) This Agreement constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Agreement, the execution and delivery hereof and the consummation of the transactions contemplated hereby (i) do not and will not in any material respect conflict with, or constitute on the part of the Issuer a breach of or default under (a) any existing law, administrative regulation, judgment, order, decree or ruling by or to which their revenues, properties or operations are bound or subject, or (b) any agreement or other instrument to which the Issuer is a party or by which it or any of its revenues, properties or operations are bound or subject; and (ii) except as expressly set forth herein or authorized hereby, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Issuer's revenues, properties or operations.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declaration with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations hereunder or the consummation of the transactions contemplated hereby, have been duly obtained and are in full force and effect.

(g) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Issuer, threatened, wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which the Issuer is a party or any revenues or properties of the Issuer and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

Section 3.02 Representations, Warranties, Agreements, Directions and Consents of the Library. The Library represents, warrants, agrees, directs and consents as follows:

(a) The Library is a free association library and not-for-profit corporation of the State duly created and validly existing under the laws of the State holding Section 501(c)(3) status under the Code.

(b) The Library has the right and lawful authority and power to execute and deliver this Agreement, to assign its rights to the Annual Tax to the Fiscal Agent, to perform the obligations and covenants contained herein and to consummate the transactions contemplated hereby.

(c) The Library has duly authorized, by all necessary actions, the execution and delivery of this Agreement and the performance of its obligations and covenants hereunder and the consummation of the transactions contemplated hereby.

(d) This Agreement constitutes a legal, valid and binding obligation of the Library, enforceable against the Library in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Agreement, the execution and delivery hereof and the consummation of the transactions contemplated hereby (i) do not and will not in any material respect conflict with, or constitute on the part of the Library a breach of or default under (a) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject, or (b) any agreement or other instrument to which the Library is a party or by which it or any of its revenues, properties or operations are bound or subject; and (ii) except as expressly set forth herein or authorized hereby, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Library's revenues, properties or operations.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Library of its obligations hereunder or the consummation of this Agreement have been duly obtained and are in full force and effect.

(g) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Library, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which the Library is a party or any revenues or properties of the Library and which is used or is contemplated for use in the consummation of the transactions contemplated hereby.

(i) The Library will at all times until the Bonds have been paid in full or provision thereof made, as provided in Section 5.01 of the Indenture, maintain its legal existence, not dispose of the Project Facility, continue to operate the Project Facility for a purpose authorized by the Education Law of the State and maintain its status as a not-for-profit corporation of the State and its Section 501(c)(3) status under the Code.

(j) The Library will not at any time until the Bonds have been paid in full or provision therefor made, as provided in Section 7.02 of the Indenture, request the Town to submit to the qualified voters of the Town a proposition to reduce the Annual Tax to an amount less than that necessary to annually pay principal, interest and redemption premium, if any, on the Bonds then outstanding.

Section 3.03 Representations, Warranties and Agreements of the Fiscal Agent. The Fiscal Agent represents, warrants and agrees as follows:

(a) The Fiscal Agent is a trust company organized and existing under the laws of the State.

(b) The Fiscal Agent has the right and lawful authority and power to execute and deliver this Agreement, to perform the obligations and covenants contained herein and to consummate the transactions contemplated hereby.

(c) The Fiscal Agent has duly authorized, by all necessary actions, the execution and delivery of this Agreement and the performance of its obligations and covenants hereunder and the consummation of the transactions contemplated hereby.

(d) This Agreement constitutes a legal, valid and binding obligation of the Fiscal Agent, enforceable against the Fiscal Agent in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Agreement, the execution and delivery hereof and the consummation of the transactions contemplated hereby do not and will not in any material respect conflict with, or constitute on the part of the Fiscal Agent a breach of or default under (a) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject, or (b) any agreement or other instrument to which the Fiscal Agent is a party or by which it or any of its revenues, properties or operations are bound or subject.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Fiscal Agent of its obligations hereunder or the consummation of the transactions contemplated hereby, have been duly obtained and are in full force and effect.

(g) The Fiscal Agent shall, and hereby agrees to, do all acts required of the Fiscal Agent under the Indenture.

Section 3.04 Representations, Warranties and Agreements of the Town. The Town represents, warrants and agrees as follows:

(a) The Town is a political subdivision of the State, duly created and validly existing under the Constitution and laws of the State.

(b) The Town's authority relative to library tax collection is governed by provisions of the Education Law, and the Town is of the opinion that it has a general right and authority and power to execute and deliver this Agreement, to perform the obligations and covenants contained herein and to consummate the transactions contemplated hereby, as powers reasonably implied from those statutory powers.

(c) The Town has duly authorized, by all necessary actions, the execution and delivery of this Agreement and the performance of its obligations and covenants hereunder and the consummation of the transactions contemplated hereby.

(d) This Agreement, as of the date hereof, constitutes a legal, valid and binding obligation of the Town, enforceable against the Town in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally or the availability of any particular remedy.

(e) This Agreement, the execution and delivery hereof and the consummation of the transactions contemplated hereby do not and will not in any material respect conflict with, or constitute on the part of the Town a breach of or default under (a) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties or operations are bound or subject, or (b) any agreement or other instrument to which the Town is a party or by which it or any of its revenues, properties or operations are bound or subject.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Town of its obligations hereunder or the consummation of the transactions contemplated hereby, have been duly obtained and are in full force and effect.

(g) No action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Town, threatened wherein an adverse decision, ruling or finding might adversely affect the transactions contemplated hereby or the validity or enforceability hereof or of any agreement or instrument to which the Town is a party.

(h) Notwithstanding anything herein to the contrary, the Town shall have the right to terminate its obligations under this Agreement on no less than sixty (60) days' prior written notice to the Library, the Agency and the Fiscal Agent. No termination shall affect the Town's statutory obligations to remit the Annual Tax to the Library.

ARTICLE IV

SPECIAL COVENANTS

Section 4.01 No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition, title, design, operation, merchantability or fitness of the Project Facility or that it is or will be suitable for the Library's purposes or needs.

Section 4.02 Hold Harmless Provisions.

(a) The Library releases the Issuer and the Fiscal Agent, and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer or the Fiscal Agent within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer and the Fiscal Agent and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "*Indemnified Party*") from and against, any and all losses, claims, damages, demands, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(i) the transactions provided for in the Financing Documents;

(ii) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Financing Documents, including any certifications or representations made by any person other than the party seeking indemnification;

(iii) the approval of the financing for the Project;

(iv) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Financing Documents or any other documents relating to the Project Facility, the Project or the Bonds or in connection with any other matters relating to the Bonds or the Project Facility, the Project, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;

(v) the Fiscal Agent's acceptance or administration of the trusts created by this Agreement or the exercise of its powers or duties under the Loan Agreement, this Agreement, the Tax Compliance Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Financing Documents;

(vi) any and all claims arising in connection with (1) the issuance or sale of any Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (A) statement or information made by the Library with respect to the Library or the Project in any offering document or materials regarding the Bonds, the Project or the Library or in the Tax Compliance Agreement or in any other certificate executed by the Library which, at the time made, is misleading, untrue or incorrect in any material respect; (B) untrue statement or alleged untrue statement of a material fact relating to the Library or the Project contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Library or the Project required to be stated in such offering material or necessary in

order to make the statements in such offering material not misleading; and (C) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold; and (2) the carrying out by the Library of any of the transactions provided for in the Financing Documents;

(vii) the Library's failure to comply with any requirement of any Financing Document applicable to the Library;

(viii) any act or omission of the Library or any of its agents, servants, employees or licensees in connection with the Loan Agreement or the Project Facility, including violation of any law, ordinance, court order or regulation affecting the Project Facility or any part of it or the ownership, occupancy or use of it;

(ix) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Project Facility or arising out of any action or inaction of the Library, whether or not related to the Project Facility, or resulting from or in any way connected with the acquisition, equipping or management of the Project, the issuance of the Bonds or otherwise in connection with transactions provided for in the Financing Documents or otherwise in connection with the Project Facility, the Bonds or the execution or amendment of any document relating to the Project Facility or the Bonds; and

(x) any and all claims arising in connection with the operation of the Project Facility, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, repair or equipping of, the Project Facility or any part of it.

(b) This indemnification shall extend to and include, without limitation, all reasonable costs, attorneys' fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (a) in the case of the foregoing indemnification of the Fiscal Agent or any of its Indemnified Parties, to the extent such damages are caused solely by the gross negligence or willful misconduct of such Person, and (b) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the gross negligence or willful misconduct of such Person. To effectuate the purposes of this Section 4.02, the Library shall provide for and insure, in the liability policies required under Section 7.14 of the Loan Agreement, not only its own liability in respect of the matters therein mentioned but also liability pursuant to this Section 4.02.

(c) An Indemnified Party shall promptly notify the Library in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Library pursuant to this Section 4.02. Such notice shall be given in sufficient time to allow the Library to defend or participate in such claims or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Library under this Section 4.02.

(d) The provisions of this Section and the indemnification provided herein shall survive repayment of the Bonds and the resignation of the Fiscal Agent. Notwithstanding anything to the contrary in this Agreement, the covenants of the Library contained in this Section 4.02 shall continue in full force and effect after the expiration or earlier termination of the Loan Agreement or this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought, and (ii) payment in full or the satisfaction of such claim or cause of action and all expenses and charges incurred by the Indemnified Party relating to the enforcement of this Section 4.02 and the provisions herein specified. For purposes of this Section 4.02, the Library shall not

be deemed to constitute an employee, agent or servant of the Issuer or a person under the Issuer's control or supervision.

(e) In the event of any claim against the Issuer or its members, directors, officers, agents or employees by any employee or contractor of the Library or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Library hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(f) The Library and every assignee of the Library's interest in this Agreement hereby waives any and all of its rights against the Issuer (whether such rights currently exist or arise in the future by statute, common law or otherwise) as an owner or a prior owner of the Project Facility with respect to any and all environmental liabilities, however or whenever accruing.

(g) To effectuate the purposes of this Section 4.02, the Library will provide for and insure, in the liability policies required in Section 7.1 of the Loan Agreement, not only its own liability in respect of the matters therein mentioned, but also the liability pursuant to this Section 4.02. Should an insurance carrier provide for the defense of an Indemnified Party in connection with any claim subject to indemnity under this Section 4.02, the Library shall cause such insurance carrier (and the attorneys retained by such insurance carrier) to promptly provide such Indemnified Party with such information regarding the status of such claims as such Indemnified Party may from time to time request, to immediately advise such Indemnified Party of any monetary verdict against it, and in no event shall the Library permit a judgment to be entered against such Indemnified Party arising out of such claim without thirty (30) days' prior written notice to such Indemnified Party. Should the Library provide the defense of any such claim directly, the attorneys selected by the Library shall be subject to the prior approval of such Indemnified Party, and the Library shall cause such attorneys to promptly provide such Indemnified Party with such information regarding the status of such claims as such Indemnified Party may from time to time request, to immediately advise such Indemnified Party of any monetary verdict against it, and in no event shall the Library permit a judgment to be entered against such Indemnified Party arising out of such claim without thirty (30) days' prior written notice to such Indemnified Party.

(h) Should any lawsuit be commenced against an Indemnified Party which is subject to indemnity pursuant to this Section 4.02, and should such lawsuit result in a judgment being entered against such Indemnified Party, the Library shall not permit any lien resulting from such judgment to encumber any asset of such Indemnified Party (whether now owned or hereafter acquired). Should such judgment result in a lien encumbering any asset of such Indemnified Party, the Library shall immediately, upon demand by such Indemnified Party, cause such judgment to be released from all assets of such Indemnified Party (whether now owned or hereafter acquired), pursuant to documentation in form and content acceptable to such Indemnified Party. The Library shall be responsible for all damages suffered by such Indemnified Party (including incidental and consequential damages) resulting from any such judgment lien that may encumber any asset of such Indemnified Party, including, but not limited to, all out-of-pocket expenses (including reasonable attorneys' fees) incurred by such Indemnified Party to obtain releases of any such judgment lien.

Section 4.03 Agreement to Provide Information. The Library agrees, whenever requested by the Issuer, to provide and certify or cause to be provided and certified such information concerning the Library, its finances, and other topics as the Issuer from time to time reasonably considers necessary or appropriate, including but not limited to, such information as to enable it to make any reports required by law or governmental regulation. Without limiting the foregoing the Library acknowledges and affirms to the Issuer that it has read and understands the Issuer's annual financial and other reporting requirements including, without limitation, those contained in the Act, the Public Authorities Law of the State and all

regulations promulgated in connection with both, acknowledges that the Issuer cannot comply with said annual reporting requirements and filing requirements without necessary information being provided by the Library and agrees to provide to the Issuer, upon request, such information as the Issuer may reasonably request which may be necessary for the Issuer to comply with its annual financial reporting requirement.

Section 4.04 Limitation on Obligations of the Issuer. Notwithstanding any provision of this Agreement to the contrary, no order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (A) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten (10) day period) or failed to respond within such notice period; (B) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses; and (C) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, directors, officers, agents (other than the Library) and employees against all liability expected to be incurred as a result of compliance with such request; provided, however, that no limitation on the obligations of the Issuer contained in this Section 4.04 by virtue of any lack of assurance provided in (A), (B) or (C) hereof shall be deemed to prevent the occurrence and full force and effect of any event of default hereunder or under any other Financing Document.

Section 4.05 No Recourse; Special Obligation.

(a) The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his individual capacity, and the members, officers, agents and employees of the Issuer shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to any obligations of the State or Onondaga County, New York, and neither the State nor Onondaga County, New York shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement (except for revenues derived by the Issuer with respect to the Unassigned Rights).

(c) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless the party seeking such order or decree shall first have complied with Section 4.04 hereof.

(d) The Issuer shall be entitled to the advice of counsel (who may be counsel to any party or to any Holder of the Bonds) appointed with due care and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on any notice, certificate or other document furnished to it under any Financing Document and reasonably believed by it to be genuine. The Issuer shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it and reasonably believed to be beyond such discretion or power, or taken by it pursuant to any direction or instruction by which it is governed under any Financing Document, or omitted to be taken by it by reason of the lack of direction or instruction required for such action under any Financing Document, and shall not be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Agreement, the Issuer may defer such action pending an investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any Person except by its own members, officers and employees.

(e) In approving, concurring in or consenting to any action or in exercising any discretion or in making any determination under this Agreement, the Issuer may consider the interests of the public, which shall include the anticipated effect of any transaction on tax revenues and employment, as well as the interests of the other parties hereto and the Holders of the Bonds; provided, however, that nothing herein shall be construed as conferring on any Person other than the Fiscal Agent and the Holder of the Bonds any right to notice, hearing or participation in the Issuer's consideration, and nothing in this Section 4.05 shall be construed as conferring on any of them any right additional to those conferred elsewhere herein. Subject to the foregoing, the Issuer shall not unreasonably withhold any approval or consent to be given by it hereunder.

Section 4.06 Federal Tax Covenants.

(a) The Issuer and the Library each hereby covenants not to take or omit to take any action so as to cause interest on any Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Section 103 and Sections 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of the Bonds. The Library further covenants that it will make no investments or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The Issuer and the Library each further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, including the payment by the Library of any rebate amount; to the extent applicable, and for the Library to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

(b) The Library agrees with the Issuer to file with the Internal Revenue Service of the United States Treasury Department or any other authorized governmental Issuer any and all statements or other instruments which may be required by the Code at the times required therein.

Section 4.07 Redemption of Bonds by Issuer. The Issuer agrees with the Library, solely for the benefit of the Library, that upon receipt of a request from the Library that the Issuer exercise its option to redeem Bonds prior to maturity, the Issuer will, upon notice being received from the Fiscal Agent that a sufficient sum has been received by the Fiscal Agent for any such redemption, direct the Trustee to redeem Bonds prior to maturity in the manner requested by the Library in accordance with the provisions

of Article 3 of the Indenture.

Section 4.08 Levy of Annual Tax; Payment of Annual Tax. The Town agrees to and shall at all times after the date of this Agreement and until the Bonds have been paid in full or provision therefor made, as provided in Section 7.02 of the Indenture, (1) to the extent permitted by law, cause to be levied the Annual Tax in accordance with the requirements of State law, and (2) so long as the Library is bound by its assignment of the Annual Tax to the Fiscal Agent pursuant to Section 4.09 hereof, promptly pay the Annual Tax directly to the Fiscal Agent upon receipt thereof by the Town.

Section 4.09 Assignment of Town Tax Levy. The Library, in consideration of the issuance of the Bonds and the performance of the obligations of the Issuer, Fiscal Agent and Town hereunder, directs the Town to pay the Annual Tax directly to the Fiscal Agent and the Library hereby assigns to the Fiscal Agent, for the benefit of the Holders of the Bonds from time to time, its right, title and interest in the Annual Tax, for the limited purpose of making payments of interest, principal and/or redemption premium, if any, on the Bonds to the Holders of the Bonds, except as provided in Section 2.06 hereof.

ARTICLE V

MISCELLANEOUS

Section 5.01 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or the other Financing Documents nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 5.02 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopier or similar writing) and shall be given to such party, addressed to it, at its address or email address set forth below or such other address or as such party may hereafter specify for the purpose by notice to each of the other parties hereto. Each such notice, request or communication shall be effective (i) if given by telecopy when such telecopy is transmitted to the telecopy number specified below and the appropriate answerback is received, (ii) if given by certified mail (return receipt requested), when delivered at the address specified below, or (iii) if given by any other means, when delivered at the address specified below.

Party:

Address:

The Issuer:

Onondaga Civic Development Corporation
333 W. Washington Street
Syracuse, New York 13202
Attention: Executive Director
Tel: (315) 435-3770
robertpetrovich@ongov.net

With a copy To:

Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Christopher A. Andreucci, Esq.
Tel: (585) 419-8606
candreucci@harrisbeach.com

Party:

Address:

The Library:

Onondaga Free Library
4840 West Seneca Turnpike
Syracuse, New York 13215
Attention: Susan Morgan, Director
Tel: (315) 492-1727
smorgan@oflibrary.org

With a copy To:

Bond Schoeneck & King PLLC
One Lincoln Center
Syracuse, New York 13202
Attn: Matt Wells, Esq.
Tel: (315) 218-8174
wellsm@bsk.com

The Town:

Town of Onondaga
5020 Ball Road
Syracuse New York, 13215
Attention: Supervisor
Tel: (315) 469-3888

The Fiscal Agent:

Manufacturers and Traders Trust Company
Wilmington Trust, N.A.
285 Delaware Avenue, 3rd Floor
Buffalo, New York 14203
Attn: Jennifer L. Cook, Vice President
Tel: (716) 842-5223
jlcook@wilmingtontrust.com

Section 5.03 Legal Holidays. In any case where any date on which any payment is proposed to be paid hereunder or the date upon which any notice is to be made or given hereunder shall not be a Business Day, then (notwithstanding any other provision tithe Bonds or this Agreement) the payment or notice need not be made on such date, but may be made on the preceding Business Day.

Section 5.04 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 5.05 Governing Law, Consent to Jurisdiction, Venue and Waiver. This Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of laws. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting Onondaga County, New York, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement.

Section 5.06 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 5.07 Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as the original and all of which shall constitute and are the same Agreement.

[Signature Page Follows]

[Signature Page to Fiscal Agency Agreement]

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

ONONDAGA CIVIC DEVELOPMENT
CORPORATION

By: _____
Name: Robert M. Petrovich
Title: Executive Director

ONONDAGA FREE LIBRARY

By: _____
Name:
Title:

TOWN OF ONONDAGA

By: _____
Name:
Title:

MANUFACTURERS AND TRADERS TRUST
COMPANY, as Fiscal Agent

By: _____
Name: Jennifer L. Cook
Title: Vice President

[Acknowledgment Page to Fiscal Agency Agreement]

STATE OF NEW YORK)
) SS:
COUNTY OF ONONDAGA)

On the ____ day of _____ in the year 2021 before me, personally appeared ROBERT M. PETROVICH, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the ____ day of _____ in the year 2021 before me, personally appeared JENNIFER L. COOK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ONONDAGA)

On the ____ day of _____ in the year 2021 before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the ____ day of _____ in the year 2021 before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

APPENDIX F

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following description of certain provisions of the Loan Agreement, dated as of August 1, 2021 (the "Series 2021 Loan Agreement") is only a brief outline of some of the provisions of the Loan Agreement, and does not purport to summarize or describe all of the provisions of the Loan Agreement. Reference is made to the Loan Agreement for details of the provisions of the Loan Agreement.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Agreement to Undertake Project

As promptly as practicable after receipt of the proceeds of the sale of the Bonds and out of said proceeds of sale, the Issuer will, subject to the provisions of Section 3.2 of the Loan Agreement, loan the proceeds of the Bonds to the Library and the Library shall use such proceeds, to undertake the Project. The Project Costs shall be paid from the Project Fund established under the Indenture or as otherwise provided in Section 3.2 of the Loan Agreement. (Section 3.1)

Completion by the Library

The Library unconditionally covenants and agrees that it will complete the Project or cause the Project to be completed in accordance with the Loan Agreement and the Indenture. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project in full, the Library shall pay that portion of such Project Costs as may be in excess of the moneys therefor in said Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Library be entitled to any diminution of the Debt Service Payments payable or other payments to be made under the Loan Agreement. (Section 3.2)

Maintenance

(a) During the term of the Loan Agreement, the Library will:

(i) keep the Project Facility in good and safe operating order and condition, ordinary wear and tear excepted,

(ii) occupy, use and operate the Project Facility, or cause the Project Facility to be occupied, used and operated, in accordance with all Legal Requirements, and

(iii) Subject to the Indenture, make or cause to be made all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to ensure that (x) the interest on any Tax Exempt Bonds shall not cease to be excludable from gross income for federal income tax purposes, (y) the operations of the Library at the Project Facility shall not be materially impaired or diminished in any way, and (z) the security for the Bonds shall not be materially impaired.

(b) All replacements, renewals and repairs shall be similar in quality, class and value to the original work and be made and installed in compliance with all applicable Legal Requirements and the Indenture.

(c) The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Project Facility, to effect the replacement of any inadequate, obsolete, worn out or unsuitable parts of the Project Facility, or to furnish any utilities or services for the Project Facility, and the Library agrees to assume full responsibility therefor. *(Section 3.3)*

Alterations and Improvements

(a) The Library shall have the privilege of making such alterations of or additions to the Project Facility ("Additional Improvements") or any part of the Loan Agreement from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that:

(i) the Additional Improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable Legal Requirements, and

(ii) the Additional Improvements are promptly and fully paid for by the Library in accordance with the terms of the applicable contract(s) therefor. *(Section 3.4)*

Loan of Proceeds

The Issuer agrees, upon the terms and conditions contained in the Agreement and the Indenture, to lend to the Library an amount equal to the principal amount of the Bonds. The loan shall be made by depositing on the Closing Date the proceeds from the sale of the Bonds in accordance with Section 4.02 of the Indenture. Such proceeds shall be disbursed to or on behalf of the Library as provided in the Indenture. The Library's obligation to repay the Loan shall be evidenced by the Agreement. *(Section 4.1)*

Loan Payments; Pledge of the Agreement

(a) The Library covenants to pay the amounts due and owing on the Bonds and repay the Loan made pursuant to the Agreement by making Loan Payments which the Issuer agrees shall be paid in immediately available funds by the Library, directly to the Trustee for deposit in the applicable account or fund created under the Indenture (except to the extent that amounts are on deposit in the applicable account or fund and available therefor) as follows:

(i) on or before the date of delivery of the Bonds, the Issuer Fee agreed to by the Issuer and the Library in connection with issuance of the Bonds;

(ii) on or before the date of delivery of the Bonds, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the costs of issuance, and any other costs in connection with the issuance of the Bonds;

(iii) on the last Business Day of each February and August, commencing on the last Business Day of February 2022, the interest coming due on the Bonds on the immediately following Debt Service Payment Date;

(iv) on the last Business Day of each February commencing on the last Business Day of February 2022, the principal coming due on such the immediately following Debt Service Payment Date;

(v) at least five (5) days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption, is to be paid, the amount required to pay the Redemption Price of such Bonds;

(vi) promptly upon demand by the Issuer, the difference between the amount on deposit in the Rebate Fund under the Indenture and the Rebate Amount (as defined in the Tax Compliance Agreement);

(vii) promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for any expenses or liabilities incurred by the Issuer pursuant to the Agreement or any other Financing Document, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing of the Project, (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Library of all the provisions of the Loan Agreement or of any other Financing Document in accordance with the terms thereof, and (E) for the fees and expenses of the Trustee and the Issuer (including, without limitation, reasonable attorneys' fees) in connection with performance of their duties under the Indenture; and

(vii) promptly upon demand by the Issuer (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the Library as a result of an acceleration pursuant to Section 8.2 of the Loan Agreement.

(b) The Library has the option to make advance Loan Payments for deposit in the Bond Fund to effect the redemption of the Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Bonds may be effected through advance Loan Payments under the Loan Agreement if there shall exist and be continuing an Event of Default. The Library shall exercise its option to make such advance Loan Payments by delivering a written notice of an Authorized Representative of the Library to the Trustee at least thirty (30) days prior to the Redemption Date and otherwise in accordance with the Indenture, with a copy to the Issuer, setting forth (i) the amount and date of the advance Loan Payment, (ii) the principal amount of Bonds Outstanding requested to be redeemed with such advance Loan Payment, and (iii) the applicable Redemption Price. In the event the Library shall exercise its option to make advance Loan Payments to effect the redemption in whole of the Bonds, and such redemption is expressly permitted under the Indenture as a result of a Loss Event, the Library shall further deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Library stating that, as a result of the occurrence of the event giving rise to such redemption, the Library has discontinued, or at the earliest practicable date will discontinue, its operation of the Project Facility for its intended purposes. Such advance Loan Payment shall be paid to the Trustee in legal tender, for deposit in the Bond Fund on or before the Redemption Date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor, will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Issuer and the Trustee (including, without limitation, reasonable attorneys' fees) in connection with such redemption. In the event the Bonds are to be redeemed in whole or otherwise retired, the Library shall further pay on or before such Redemption Date, in legal tender, to the Issuer and the Trustee, all fees and expenses owed such party or any other party entitled thereto under the Agreement or the Indenture together with (i) all other amounts due and payable under the Agreement and the other Financing Documents, and (ii) any amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Compliance Agreement.

(c) Any amounts remaining in the Earnings Fund, the Rebate Fund, the Bond Fund, the Project Fund or the Renewal Fund upon the expiration or sooner termination of the Agreement, after payment in full of (i) the Bonds, (ii) the fees, charges and expenses of the Issuer and the Trustee (including, without limitation, reasonable attorneys' fees) in accordance with the Indenture, (iii) all Loan Payments and all other amounts payable under the Loan Agreement and after all amounts required to be rebated to the federal government pursuant to the Tax Compliance Agreement or the Indenture, and (iv) all amounts required to be paid under any Financing Documents shall have been so paid, shall belong to and be paid to the Library by the Trustee as overpayment of the Loan.

(d) In the event that the Library fails to make any Loan Payment required in this summarized section, the installment so in default shall continue as an obligation of the Library until the amount in default shall have been fully paid.

(e) Notwithstanding anything in the foregoing to the contrary, if the amount on deposit and available in the Bond Fund is not sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds when due (whether at maturity or by redemption or acceleration or otherwise as provided in the Indenture), the Library shall forthwith pay the amount of such deficiency in immediately available funds to the Trustee for deposit in the Bond Fund. (*Section 4.2*)

Loan Payments and Other Payments Payable Absolutely Net

The obligation of the Library to pay the Loan Payments and other payments under the Loan Agreement shall be absolutely net to the Issuer and to the Trustee without any abatement, recoupment, diminution, reduction, deduction, counterclaim, setoff or offset whatsoever, so that the Agreement shall yield, net, to the Issuer and to the Trustee, the Loan Payments and other payments provided for in the Loan Agreement, and all costs, expenses and charges of any kind and nature relating to the Project, arising or becoming due and payable during or after the term of the Agreement, shall be paid by the Library and the Indemnified Parties shall be indemnified by the Library for, and the Library shall hold the Indemnified Parties harmless from, any such costs, expenses and charges. (*Section 4.3*)

Nature of Library's Obligation Unconditional

The Library's obligation under the Agreement to pay the Loan Payments and all other payments provided for in the Agreement shall be absolute, unconditional and a general obligation of the Library, irrespective of any defense or any rights of setoff, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer or the Trustee and the obligation of the Library shall arise whether or not the Project has been completed as provided in the Agreement. The Library will not suspend or discontinue any such payment or terminate the Agreement (other than such termination as is provided for under the Loan Agreement), or suspend the performance or observance of any covenant or agreement required on the part of the Library under the Loan Agreement, for any cause whatsoever, and the Library waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender the Agreement or any obligation of the Library under the Agreement except as provided in the Agreement or to any abatement, suspension, deferment, diminution or reduction in the Loan Payments or other payments under the Loan Agreement. (*Section 4.4*)

Advances by the Issuer or the Trustee

In the event the Library fails to make any payment or to perform or to observe any obligation required of it under the Agreement, under the Indenture or under any other Financing Document, the Issuer or the Trustee, after first notifying the Library in writing of any such failure on its part (except that no prior notification of the Library shall be required in the event of an emergency condition that, in the reasonable judgment of the Issuer or the Trustee, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer or the Trustee under the Agreement, under the Indenture or any other Financing Document to which the Issuer or the Trustee is a party, make such payment or otherwise cure any failure by the Library to perform and to observe its other obligations under the Loan Agreement or thereunder. All amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Library to the Issuer or the Trustee, which amounts, together with interest thereon at a default rate of two percent (2%) above the rate borne by the Bonds, compounded daily, from the date advanced, the Library will pay upon demand therefor by the Issuer or the Trustee, as applicable. Any remedy vested in the Issuer or the Trustee in the Loan Agreement; or in the Indenture or in any other Financing Document for the collection of the Loan Payments or other payments or amounts due under the Loan Agreement, under the Indenture or under any other Financing Document shall also

be available to the Issuer or the Trustee, as applicable, for the collection of all such amounts so advanced. (*Section 4.5*)

No Warranty of Condition or Suitability

THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE PROJECT FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE PROJECT FACILITY, OR THE SUITABILITY OF THE PROJECT FACILITY FOR THE PURPOSES OR NEEDS OF THE LIBRARY OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE PROJECT. THE LIBRARY IS SATISFIED THAT THE PROJECT FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE LIBRARY. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE LIBRARY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE PROJECT FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. (*Section 4.6*)

Damage, Destruction and Condemnation

In the event that at any time the Bonds are Outstanding, the whole or substantial part of the Project Facility shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the Library and those authorized to exercise such right are parties, or if the temporary use of the Project Facility shall be so taken by condemnation or agreement (a "Loss Event"):

- (i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Project Facility,
- (ii) there shall be no abatement, postponement or reduction in the Loan Payments or other amounts payable by the Library under the Agreement, the Indenture or any other Financing Document to which it is a party, and the Library waives the provisions of Section 227 of the New York Real Property Law or any law of like import now or hereafter in effect,
- (iii) unless an Event of Default under any of the Financing Documents shall have occurred and be continuing (or an event exists which with the passage of time or notice or both would become an Event of Default), the Library may adjust all claims under any policies of insurance required by Section 7.1(a)(i) of the Loan Agreement, provided, however, that if an Event of Default under any of the Financing Documents shall have occurred and be continuing (or if any event exists which with the passage of time or notice or both would become an Event of Default), the prior written consent of the Trustee shall be required prior to any adjustment of any claims under any such policies of insurance, and
- (iv) the Library will promptly give written notice of such Loss Event to the Issuer and the Trustee, generally describing the nature and extent thereof. (*Section 5.1*)

Loss Proceeds

(a) The Issuer, the Trustee and the Library shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration or adjustment of any claim or demand on account of

any Loss Event, and the settlement, compromise, arbitration or adjustment of any such claim or demand shall, as between the Issuer and the Library, be subject to the written approval of the Library (such approvals not to be unreasonably withheld).

(b) Net Proceeds from a Loss Event with respect to the portions of the Project Facility shall be paid to the Trustee and deposited in the Renewal Fund. Pending the disbursement or transfer thereof, the Net Proceeds in the Renewal Fund shall be applied, and may be invested, as provided in the Indenture. (*Section 5.2*)

Election to Rebuild or Terminate

(a) Upon the occurrence of a Loss Event, the Library shall either:

(i) at its own cost and expense (except to the extent paid from the Net Proceeds), within one (1) year of the Loss Event, promptly and diligently rebuild, replace, repair or restore the Project Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, provided that such actions by the Library do not, in the opinion of Bond Counsel, adversely affect the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, and, provided further, the Library shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Issuer or the Trustee, nor shall the Loan Payments or other amounts payable by the Library under the Loan Agreement or any other Financing Document be abated, postponed or reduced, or

(ii) if, to the extent and upon the conditions permitted to do so under Sections 9.1 and 9.2 of the Loan Agreement and under the Indenture exercise its option to terminate the Loan Agreement and cause the Bonds to be redeemed in whole; provided that if all or substantially all of the Project Facility shall be taken or condemned, or if the taking or condemnation renders the Project Facility unsuitable for use by the Library as contemplated by the Loan Agreement, the Library shall exercise its option to terminate the Agreement pursuant to Sections 9.1 and 9.2 of the Loan Agreement.

(b) Not later than ninety (90) days after the occurrence of a Loss Event, the Library shall advise the Issuer and the Trustee in writing of the action to be taken by the Library under this summarized section, a failure to so timely notify being deemed an election in favor of Section 5.3(a)(ii) of the Loan Agreement to be exercised in accordance with the provisions of this summarized section.

(c) If the Library shall elect to or shall otherwise be required to rebuild, replace, repair or restore the Project Facility as set forth in Section 5.3(a)(i) of the Loan Agreement, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 4.07 of the Indenture to pay or reimburse the Library, at the election of the Library, either as such work progresses or upon the completion thereof, provided, however, the amounts so disbursed by the Trustee to the Library shall not exceed the actual cost of such work and advances shall be made by the Trustee in accordance with the Indenture. If the Library shall exercise its option in Section 5.3(a)(ii) of the Loan Agreement, the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited in the Bond Fund, and the Library shall thereupon pay to the Trustee for deposit in the Bond Fund an amount which, when added to any amounts then in the Bond Fund and available for that purpose, shall be sufficient to retire and redeem the Bonds in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or Redemption Date and redemption premium, if any), and shall pay the expenses of redemption, the fees and expenses of the Issuer and the Trustee (including, without limitation, reasonable attorneys' fees), together with all other amounts due under the Indenture, under the Agreement and under any other Financing Document, as well as any amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Compliance Agreement, and such amount so deposited shall be applied, together with such other available amounts in the Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or maturity date. (*Section 5.3*)

Effect of Election to Build

(a) All rebuilding, replacements, repairs or restorations of the Project Facility in respect of or occasioned by a Loss Event shall:

(i) automatically be deemed a part of the Project Facility and shall be subject to the Agreement,

(ii) be effected with due diligence in a good and workmanlike manner, in compliance with all applicable Legal Requirements and be promptly and fully paid for by the Library in accordance with the terms of the applicable contract(s) therefor, and

(iii) restore the Project Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent operating efficiency and function, and to a state and condition that will permit the Library to use and operate the Project Facility in the same manner as it used and operated the Project Facility immediately prior to such Loss Event.

(b) The date of completion of the rebuilding, replacement, repair or restoration of the Project Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the Library stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, as certified by an Authorized Representative of the Library in such certificate, has been made, (iii) that the Project Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent operating efficiency and function, (iv) that the Library has a good and valid fee interest in all Property constituting part of the Project Facility, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Project is ready for occupancy, use and operation for its intended purposes.

(c) The certificate delivered pursuant to Section 5.4(b) of the Loan Agreement shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if it is a temporary certificate of occupancy, the Library will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of any Governmental Authority for the occupancy, operation and use of the Project Facility; (ii) a certificate of an Authorized Representative of the Library that all costs of rebuilding, repair, restoration and reconstruction of the Project Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Project Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Library shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company indicating that there has not been filed with respect to the Project Facility any mechanic's, materialmen's or any other lien in connection with the rebuilding, replacement, repair and restoration of the Project Facility and that there exist no encumbrances other than those encumbrances consented to by the Issuer and the Trustee. (*Section 5.4*)

Issuance of Bonds

On the Closing Date, subject to the satisfaction of the conditions to the issuance of the Bonds, the Issuer will sell and deliver the Bonds in the aggregate principal amount of \$[_____] pursuant to the Bond Resolution and the Indenture. The proceeds of sale of the Bonds shall be deposited and applied in accordance with the provisions of the Indenture. (*Section 6.1*)

Pledge and Assignment to Trustee

As security for the payment of the Bonds and the obligations of the Library under the Financing Documents and the Assignment the Issuer shall pledge and assign to the Trustee pursuant to the Indenture and the Assignment certain of the Issuer's right, title and interest in the Agreement (except for Unassigned Rights), and in furtherance of said pledge the Issuer will unconditionally assign such Loan Payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture. The Library consents to the pledge and assignment of the Agreement described in this summarized section. (*Section 6.2*)

Insurance

(a) At all times throughout the term of the Loan Agreement, the Library shall maintain insurance, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and, except as otherwise specified in the Loan Agreement, for such amounts as are customarily insured against by other enterprises of like size and type as that of the Library, including, without limitation:

(i) (A) during any period of construction, reconstruction, renovation or improvement of the Project Facility, Builders' All Risk Insurance written on "100% builders' risk completed value, non reporting form," including coverage therein for "completion and/or premises occupancy," and coverage for property damage insurance, and (B) All Risk Hazard Insurance with respect to the Project Facility, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other Property constituting a part of the Project Facility against loss or damage to the Project Facility by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) with policy limits equal at least to the lesser of (x) the value of the Project Facility and all improvements thereon or thereto (exclusive of the fair market value of the Land), or (y) the aggregate Outstanding principal amount of the Bonds, and at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Library or the Issuer from becoming a co-insurer of any loss under the insurance policies;

(ii) public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project Facility and the business thereby conducted in a minimum amount of \$5,000,000 per occurrence, which insurance (A) will also provide coverage of the Library's obligations of indemnity under Section 7.2 of the Loan Agreement; (B) may, with the consent of the Issuer, be effected under overall blanket or excess coverage policies of the Library thereof, provided, however, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and (C) shall not contain any provisions for a deductible amount in excess of \$1,000 or for risk retention in any amount in excess of \$1,000 by the Library;

(iii) workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Library or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of the Library thereof, or any contractor or subcontractor performing work with respect to the Project; the Library shall require that all said contractors and subcontractors maintain all forms or types of insurance with respect to their employees required by laws; and

(iv) boiler and machine property damage insurance with respect to any steam and pressure boilers and similar apparatus located at the Project Facility from risks normally insured against under boiler and machinery policies and in amounts and with deductions customarily obtained for similar business enterprises and in each case approved by the Issuer.

(b) All insurance required by this summarized section shall be procured and maintained in financially sound and generally recognized, responsible insurance companies authorized to write such insurance in the State.

(c) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate (except in the case of workers' compensation insurance) the Trustee and the Issuer as additional insureds as their respective interests may appear;

(ii) provide that there shall be no recourse against the Issuer, or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the Issuer and the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of the Library or any other Person and shall insure the Issuer, and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Issuer or the Trustee to the extent that such other insurance provides the Issuer or the Trustee, as the case may be, with contingent and/or excess liability insurance with respect to its respective interest as such in the Project Facility;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Issuer, or the Trustee until at least thirty (30) days after receipt by the Issuer and the Trustee, respectively, of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(vi) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Project Facility would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Project Facility owned or operated by it.

(d) Concurrently with the original issuance of the Bonds, the Library shall deliver or cause to be delivered to the Issuer and the Trustee certificates of insurance, and upon the written request of the Issuer or the Trustee, duplicate copies of insurance policies and/or binders evidencing compliance with the insurance requirements of this summarized section. At least thirty (30) days prior to the expiration of any such policy, the Library shall furnish the Issuer and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Loan Agreement.

(e) The Library shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this summarized section. The Library shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this summarized section would or might be

suspended or impaired.

(f) THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED IN THE LOAN AGREEMENT, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTERESTS OF THE LIBRARY. (Section 7.1)

Indemnity

(a) The Library shall at all times indemnify, defend, protect and hold the Issuer and the Trustee, and any director, member, officer, employee, servant, agent thereof and persons under the Issuer's control or supervision (collectively, the "Indemnified Parties" and each an "Indemnified Party") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses, including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses (collectively, "Claims") of any kind for losses, damage, injury and liability (collectively, "Liability") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party; provided, however, the Library acknowledges and agrees that the execution and delivery of the Loan Agreement by the Issuer and the performance of its obligations under the other Financing Documents without requiring the Library to obtain a current or updated survey of the Property as it relates to the Project Facility is neither gross negligence nor willful misconduct and its obligations to indemnify the Issuer as described in the Loan Agreement shall not be limited or abridged as a result thereof), arising upon, about, or in any way connected with the Project, or any of the transactions with respect thereto, including:

(i) the financing of the Project Costs and the marketing, offering, issuance, sale and remarketing of the Bonds for such purpose,

(ii) the maintenance, repair, replacement, restoration, rebuilding, construction, renovation, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Project Facility or any portion thereof.

(iii) the execution and delivery by an Indemnified Party, the Library or any other Person of, or performance by an Indemnified Party, the Library or any other Person, as the case may be, of, any of their respective obligations under, the Loan Agreement or any other Financing Document, or other document or instrument delivered in connection with the Loan Agreement or therewith or the enforcement of any of the terms or provisions of the Loan Agreement or thereof or the transactions contemplated by the Loan Agreement or thereby,

or the transactions contemplated hereby or thereby,

(iv) any damage or injury to the person or Property of any Person in or on the premises of the Project Facility,

(v) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, or

(vi) the presence, disposal, release, or threatened release of any Hazardous Substances that are on, from, or affecting the Project Facility; any personal injury (including wrongful death) or Property damage (real or personal) arising out of or related to such Hazardous Substances; any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or any violation of Legal Requirements, including demands of Governmental

Authorities, or any policies or requirements of the Issuer, which are based upon or in any way related to such Hazardous Substances.

(b) The Library releases each Indemnified Party from, and agrees that no Indemnified Party shall be liable to the Library or its Affiliates for, any Claim or Liability arising from or incurred as a result of action taken or not taken by such Indemnified Party with respect to any of the matters set forth in Section 7.2(a) of the Loan Agreement, or at the direction of the Library with respect to any of such matters above referred to.

(c) The Trustee shall be entitled to rely on any certificates, instructions or directions given pursuant to the terms of the Loan Agreement and the Library shall indemnify, defend and hold harmless the Trustee for the consequences of all actions taken pursuant to any such certificates, instructions or directions provided that the Trustee, at the time the certificates, instructions or directions were given, reasonably believed in good faith that such certificates, instructions or directions were genuine, such consequences to include without limitation any fees or expenses (including, without limitation, reasonable attorneys' fees) incurred by the Trustee in connection therewith.

(d) An Indemnified Party shall promptly notify the Library in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Library pursuant to this summarized section; such notice shall be given in sufficient time to allow the Library to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense under the Loan Agreement nor in any way impair the obligations of the Library under this summarized section.

(e) Anything to the contrary in the Loan Agreement notwithstanding, the covenants of the Library contained in this summarized section shall be in addition to any and all other obligations and liabilities that the Library may have to any Indemnified Party in any other agreement or at common law, and shall remain in full force and effect after the termination of the Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions specified in the Loan Agreement. *(Section 7.2)*

Sale of the Project Facility; Grant of Easements; Release of Portions of Project

(a) The Library covenants that, except in compliance with the provisions of the Tax Compliance Agreement, it will not transfer, lease, sell or convey the Project Facility or any part thereof or interest therein, including development rights.

(b) No conveyance or release effected under the provisions of this summarized section shall entitle the Library to any abatement or diminution of the Loan Payments or other amounts payable under Section 4.2 of the Loan Agreement or any other payments required to be made by the Library under the Loan Agreement or any other Financing Document to which it shall be a party. *(Section 7.7)*

Books of Record and Account; Compliance Certificates

The Library agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Library. *(Section 7.10)*

Compliance with Legal Requirements

The Library shall not occupy, use or operate the Project Facility, or allow the Project Facility or any part thereof to be occupied, used or operated, for any unlawful purpose or in violation of any certificate of occupancy affecting the Project Facility or for any use which may constitute a nuisance, public or private, or make void or

voidable any insurance then in force with respect thereto.

Throughout the term of the Agreement and at its sole cost and expense, the Library shall promptly observe and comply with all applicable Legal Requirements, whether foreseen or unforeseen, ordinary or extraordinary, that shall now or at any time hereafter be binding upon or applicable to the Library, the Project Facility, any occupant, user or operator of the Project Facility or any portion thereof, and will observe and comply with all conditions, requirements, and schedules necessary to preserve and extend all rights, licenses, permits (including zoning variances, special exception and non-conforming uses), privileges, franchises and concessions.

The Library may at its sole cost and expense contest in good faith the validity, existence or applicability of any of the matters described in Section 7.10(b) of the Loan Agreement if (i) such contest shall not result in the Project Facility or any part thereof or interest of the Library in the Project Facility or any of the Loan Payments or other amounts payable under the Agreement or any of the other Financing Documents, or the interest of the Library in any Financing Document, being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Library, the Issuer or the Trustee being in any danger of any civil or any criminal liability for failure to comply therewith, and (iii) the Library shall have furnished such security, if any, as may be requested by the Issuer or the Trustee in their sole discretion to protect the security intended to be offered by the Financing Documents for failure to comply therewith. (*Section 7.12*)

Maintenance of Corporate Existence

The Library covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a nonprofit organization, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, and (iv) except as expressly permitted by the Loan Agreement, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Library may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more corporations or other organizations. Notwithstanding the foregoing provisions of this summarized section, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement shall be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Tax Exempt Bond from gross income for purposes of federal income taxation, (2) the Library will not as a result thereof be in default under the Loan Agreement, (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (4) the surviving, resulting or transferee corporation of the Library assumes in writing all of the obligations of the Library under the Loan Agreement, under the other Financing Documents, and furnishes to the Issuer (x) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions of the Loan Agreement, and (y) such other certificates and documents as the Issuer may reasonably require to establish compliance with this summarized section. (*Section 7.13*)

Further Assurances

The Library will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, including Uniform Commercial Code financing statements, at the sole cost and expense of the Library, as the Issuer or the Trustee deems necessary in its sole discretion or advisable for the implementation, effectuation, correction, confirmation or perfection of its security interests and any rights of the Issuer or the Trustee under the Loan Agreement, under the Indenture or under any other Financing Document. (*Section 7.14*)

Agreement to Provide Information/Access to Records

The Library agrees, whenever requested by the Issuer or the Trustee, to provide and certify or cause to be provided and certified, such information concerning the Library, its representations and warranties under the Financing Documents, its finances and other topics as the Issuer or the Trustee from time to time reasonably considers necessary or appropriate including, but not limited to such information as to enable the Issuer and the Trustee to make any reports required by law, governmental regulation or the Indenture. (*Section 7.16*)

Use and Possession of the Project Facility

Subject to the rights, duties and remedies of the Issuer and the Trustee under the Financing Documents, the Library shall have sole and exclusive control and possession of and responsibility for (i) the Project Facility, (ii) the operation of the Project Facility and supervision of the activities conducted therein or in connection with any part thereof, and (iii) the maintenance, repair and replacement of the Project Facility; provided, however, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit the Library's use of a third party property management company or the use of the Project Facility by persons other than the Library or its staff or employees or the students or faculty in furtherance of the Library's corporate purposes, if such use will not adversely affect the exclusion of interest on any Tax-Exempt Bonds from gross income for federal income tax purposes. (*Section 7.17*)

Events of Default

Any one or more of the following events shall constitute an "Event of Default" under the Loan Agreement:

(a) Failure of the Library to pay any Loan Payment that has become due and payable by the terms of Section 4.2(a) of the Loan Agreement or to pay any other payment that has become due and payable under Section 4.3 of the Loan Agreement, which in any case results in an Event of Default under the Indenture;

(b) Failure of the Library to pay any amount (except as set forth in Section 8.1(a) of the Loan Agreement) that has become due and payable under the Loan Agreement or to observe and perform any covenant, condition or agreement on its part to be performed under the Loan Agreement and (i) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Library specifying the nature of same by the Issuer or the Trustee or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Library fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice;

(c) The Library shall have applied for or consented to the appointment of a receiver, trustee, or liquidator of all or a substantial part of its assets; admitted in writing the inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been the subject of an order for relief under the United States Bankruptcy Code, or been adjudicated a bankrupt, or filed a petition or an answer seeking reorganization, liquidation or any arrangement with creditors or taken advantage of any insolvency law, or submitted an answer admitting the material allegations of a petition in bankruptcy, reorganization, liquidation or insolvency proceedings; or an order, judgment or decree shall have been entered, without the application, approval or consent of the Library by any court of competent jurisdiction approving a petition seeking reorganization of the Library or appointing a receiver, trustee or liquidator of a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days; or filed a voluntary petition in bankruptcy or failed to remove an involuntary petition in bankruptcy filed against it within sixty (60) days of the filing thereof;

(d) Any representation or warranty made by the Library in the Financing Documents or any

other instrument executed in connection therewith, shall in any case prove to be false, misleading or incorrect in any material respect as of the date made; or

(e) An "Event of Default" under the Indenture or under any other Financing Document shall occur and be continuing beyond any applicable cure period in such Financing Documents. *(Section 8.1)*

Remedies on Default

Whenever any Event of Default referred to in Section 8.1 of the Loan Agreement shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(a) The Issuer or the Trustee may cause all Loan Payments made in connection with the payment of principal or premium, if any on the Bonds payable under Section 4.2(a) of the Loan Agreement for the remainder of the term of the Agreement to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable, without presentment, demand, protest or any other notice whatsoever, all of which are expressly waived by the Library; provided, however, that upon the occurrence of an Event of Default under Section 8.1(c) of the Loan Agreement, all Loan Payments made in connection with the payment of principal or premium, if any on the Bonds payable under Section 4.2(a) of the Loan Agreement for the remainder of the term of the Agreement, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer or the Trustee;

(b) The Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the Loan Payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Library under the Loan Agreement; and

(c) The Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder.

(d) No action taken pursuant to this summarized section (including termination of the Agreement) or by operation of law or otherwise shall, except as expressly provided in the Loan Agreement, relieve the Library from the Library's obligations under the Loan Agreement, all of which shall survive any such action. *(Section 8.2)*

Remedies Cumulative

The rights and remedies of the Issuer or the Trustee under the Loan Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under the Loan Agreement. Failure by the Issuer or the Trustee to insist upon the strict performance of any of the covenants and agreements set forth in the Loan Agreement or to exercise any rights or remedies upon default by the Library under the Loan Agreement shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandatory injunction, specific performance or other appropriate legal remedy the strict compliance by the Library with all of the covenants and conditions of the Loan Agreement, or of the rights to exercise any such rights or remedies, if such default by the Library be continued or repeated. *(Section 8.3)*

No Additional Waiver Implied by One Waiver

In the event any covenant or agreement contained in the Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Issuer and/or the Trustee

and the Library or any delay or omission on the part of the Issuer and/or the Trustee in exercising any rights under the Loan Agreement or under the Indenture or under any other Financing Document shall operate as a waiver. To the extent permitted by applicable law, the Library waives the benefit and advantage of, and covenants not to assert against the Issuer or the Trustee, any valuation, inquisition, stay, appraisal, extension or redemption laws now existing or which may hereafter exist which, but for this provision, might be applicable to any sale or reletting made under the judgment, order or decree of any court or under the powers of sale and reletting conferred by the Loan Agreement or otherwise. *(Section 8.4)*

Effect on Discontinuance of Proceedings

In case any proceeding taken by the Issuer or the Trustee under the Indenture or the Agreement or under any other Financing Document on account of any Event of Default under the Loan Agreement or thereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then, and in every such case, the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under the Loan Agreement and thereunder, and all rights, remedies, powers and duties of the Issuer and the Trustee shall continue as in effect prior to the commencement of such proceedings. *(Section 8.5)*

Agreement to Pay Fees and Expenses of Attorneys and Other Consultants

In the event the Library should default under any of the provisions of the Loan Agreement, and the Issuer or the Trustee should employ outside attorneys or other consultants or incur other expenses for the collection of Loan Payments or other amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the Library in the Loan Agreement contained or contained in any other Financing Document, the Library agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the fees and actual disbursements of such attorneys or other consultants and such other actual expenses so incurred. *(Section 8.6)*

Termination of the Agreement

(a) The Library shall have the option to terminate the Agreement by causing the redemption in whole, only, of all Outstanding Bonds in accordance with the terms set forth in the Indenture.

(b) After full payment of the Bonds in accordance with the Indenture, but not later than the receipt by the Library of ten (10) days prior written notice from the Issuer directing termination of the Agreement, the Library shall terminate the Agreement by giving the Issuer notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to (x) the delivery of those documents referred to in Section 9.2 of the Loan Agreement, and (y) the survival of those obligations of the Library set forth in Section 9.3 of the Loan Agreement. *(Section 9.1)*

Actions on Termination

As a condition precedent to the termination of the Agreement, the Library shall

(i) pay to the Trustee

(A) the expenses of redemption, the fees and expenses of the Trustee (including, without limitation, reasonable attorneys' fees) and all other amounts due and payable under the Agreement and the other Financing Documents;

(B) any amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Compliance Agreement; and

- (ii) pay to the Issuer
 - (A) any unpaid fees and expenses of the Issuer,
 - (B) all other amounts due and payable under the Agreement and the other Financing Documents; and
- (iii) perform all accrued obligations under the Loan Agreement or under any other Financing Document,

(b) Upon the termination of the Agreement in accordance with Section 9.1 of the Loan Agreement, the Issuer will deliver or cause to be delivered to the Library, at the sole cost and expense of the Library, (i) a termination of the Agreement, and (ii) all necessary documents releasing all of the Issuer's rights and interests in and to any rights of action under the Agreement (other than as against the Library or any insurer of the insurance policies under Section 7.1 of the Loan Agreement), or any insurance proceeds (other than liability insurance proceeds for the benefit of the Issuer) or condemnation awards, with respect to the Project Facility or any portion of the Loan Agreement. Concurrently with the delivery of such instruments, there shall be delivered by the Issuer to the Trustee, at the sole cost and expense of the Library, any instructions or other instruments required by the Indenture to retire and redeem the Outstanding Bonds, together with a direction to the Trustee that the Trustee deliver to the Issuer and the Library a release, satisfaction or termination of the Indenture. (*Section 9.2*)

Survival of Library Obligations

Upon compliance with Section 9.2 of the Loan Agreement, the Agreement and all obligations of the Library under the Loan Agreement shall be terminated except the obligations of the Library under Sections 7.2, 7.13, 8.2, 8.6, 10.9, and 10.11 of the Loan Agreement shall survive such termination. (*Section 9.3*)

APPENDIX – G

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following description of certain provisions of the Indenture is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Indenture for details of the provisions thereof.

Issuance of Series 2021 Bonds; Details of the Series 2021 Bonds

(a) The Series 2021A Bonds shall be designated "Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A" and shall be issued in the aggregate principal amount of \$ [_____]. The Series 2021B Bonds shall be designated "Onondaga Civic Development Corporation Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B" and shall be issued in the aggregate principal amount of \$[_____]. The Series 2021 Bonds shall be issuable without coupons in the denomination of \$5,000, or any integral multiple thereof. Unless the Issuer shall otherwise direct, the Series 2021A Bonds shall be lettered "AR" and shall be numbered consecutively from AR-1 upwards, and the Series 2021B Bonds shall be lettered "BR" and shall be numbered consecutively from BR-1 upwards, each in the order of issuance, according to the records of the Trustee.

The Series 2021 Bonds shall be dated the Closing Date, and shall bear interest from such date, or from the most recent Bond Payment Date to which interest has been paid, payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2022

The Series 2021 Bonds shall mature on March 1, of each of the following years, in the following respective principal amounts and shall bear interest at the following respective per annum interest rates computed on the basis of a three hundred sixty (360) day year composed of twelve (12) thirty (30) day months.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	85,000	4%
2023	90,000	4%
2024	90,000	4%
2025	95,000	4%
2026	100,000	4%
2027	105,000	4%
2028	110,000	4%
2029	115,000	4%
2030	115,000	4%
2031	120,000	4%
2032	125,000	4%
2033	130,000	4%
2034	140,000	4%
2035	145,000	4%
2036	150,000	4%
2037	155,000	4%

(b) Except as otherwise provided in Section 2.12 of the Indenture, the principal of, premium, if any, Redemption Price, and interest on the Bonds shall be payable in lawful money of the United States of America at the Office of the Trustee, or of its successor Trustee appointed in accordance with the Indenture. Interest on Bonds due on any Bond Payment Date shall be payable to the Person in whose name such Bond is registered at the close of business on the Regular Record Date with respect to such Bond Payment Date, irrespective of any

transfer or exchange of such Bond subsequent to such Regular Record Date and prior to such Bond Payment Date, unless the Issuer shall default in the payment of interest due on such Bond Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to the Bondholders not less than fifteen (15) days preceding such Special Record Date. Such notices shall be mailed to the Persons in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on the Bonds will be made by (i) check or draft mailed to the address of the Person in whose name such Bonds are registered, as such address appears on the registration books maintained by the Trustee, or (ii) at such other address furnished to the Trustee in writing by the Holder at least five (5) Business Days prior to the date of payment, or at the election of an Owner of at least \$250,000 aggregate principal amount of Bonds, by bank wire transfer to a bank account maintained by such Owner in the United States of America designated in written instructions delivered to the Trustee at least five (5) Business Days prior to the date of such payment, which written instructions may relate to multiple Bond Payment Dates. *(Section 2.03)*

Execution; Special Obligations

(a) The Bonds shall be executed in the name and on behalf of the Issuer with the manual or facsimile signature of its President/CEO or Chairperson and sealed with its corporate seal or facsimile thereof. Such facsimile signature shall have the same force and effect as if manually signed. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall, nevertheless, be valid and sufficient for all purposes as if he had remained in office until such delivery; and any Bond may be signed on behalf of the Issuer, manually or in facsimile, by the person who, on the date of execution of such Bond, shall be the proper officer of the Issuer, although on the date of execution of the Indenture such person was not such officer.

(b) The Bonds and the premium, if any, and interest thereon shall be special obligations of the Issuer payable solely from the Trust Estate. THE BONDS AND INTEREST THEREON ARE NOT A DEBT OF THE STATE OF NEW YORK NOR ONONDAGA COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ONONDAGA COUNTY, NEW YORK, SHALL BE LIABLE THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR. *(Section 2.04)*

Authentication

No Bond shall be valid for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Bond a Certificate of Authentication substantially in the form attached to the Indenture as part of Exhibit A duly executed by the Trustee. Such executed Certificate of Authentication by the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Indenture. The Certificate of Authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Bonds issued under the Indenture. *(Section 2.05)*

Mutilated, Lost, Stolen or Destroyed Bonds

(a) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and, upon its request, the Trustee shall authenticate and deliver a new Bond of like series, maturity, interest rate and principal amount as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and/or the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer or the Trustee may require the payment by the Bondholder of a sum sufficient to cover any

tax or other governmental charge or expense that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof. In executing a new Bond or authorizing payment of any mutilated, lost, stolen or destroyed Bond, the Issuer may rely conclusively upon a representation by the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond and the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this summarized section shall constitute an additional contractual obligation of the Issuer (whether or not the mutilated, destroyed, lost or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of the Indenture equally and proportionately with all other Bonds duly issued under the Indenture.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this summarized section are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude all other rights or remedies notwithstanding any law or statute existing or hereinafter enacted to the contrary. (*Section 2.08*)

Negotiability of Bonds and Registration Books

(a) All Bonds issued under the Indenture shall be subject to the provisions for registration and transfer contained in the Indenture and in the Bonds.

(b) So long as any Bonds shall remain Outstanding, the Issuer shall maintain books at the Office of the Trustee for the registration of transfer of Bonds. The Trustee is appointed Bond Registrar for the purpose of registering transfers on such registration books. By executing the Indenture, the Trustee accepts the duties and obligations of Bond Registrar for the Issuer. The Trustee, as Bond Registrar, shall register on such books and permit to be transferred thereon, under such reasonable regulations as the Issuer or the Trustee may prescribe, any Bond entitled to registration or transfer. (*Section 2.09*)

Transfer of the Bonds

(a) Each Bond shall be transferable only on the registration books of the Issuer, maintained by the Trustee, as Bond Registrar. Upon surrender thereof at the Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing and in either case accompanied by a guaranty of signature, the Issuer shall execute and the Trustee shall authenticate and deliver, in the name of the transferee or transferees, a new Bond or Bonds in authorized denominations for a like series and aggregate principal amount.

(b) The Issuer, the Trustee, and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered upon the books of the Issuer on the Record Date as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or Redemption Price of and interest on such Bond and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee, nor any Paying Agent shall be affected by any notice to the contrary. Any Owner may designate a nominee in whose name such Bond may be registered. (*Section 2.10*)

Regulations with Respect to Transfers

(a) The Trustee shall not be required to exchange or register a transfer of (1) any Bonds during the fifteen (15) day period next preceding (i) a Bond Payment Date or (ii) the date of selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (2) any Bonds selected, called or being called for redemption in whole or in part except, in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

(b) All Bonds surrendered in any transfer shall forthwith be canceled in accordance with the provisions of Section 5.13 of the Indenture.

(c) For every transfer of Bonds, the Issuer and the Trustee may make a charge sufficient to reimburse them for (i) any tax, fee or other governmental charge or expense required to be paid with respect to such transfer, (ii) the cost of preparing each new Bond, and (iii) any other expenses of the Issuer or the Trustee, as the case may be, incurred in connection therewith, and any such charges shall be paid by the Library. (*Section 2.11*)

Book-Entry System

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the name of the Nominee, as nominee of the Depository. Except as provided in Section 2.12(c) of the Indenture, all of the Outstanding Bonds shall be registered in the name of the Nominee.

(b) With respect to the Bonds registered in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery or timeliness of delivery by the Depository to any Participant or by a Participant to any other Person, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Issuer redeems the Bonds in part, (iv) the payment by the Depository to any Participant or by any Participant to any other Person, of any amount with respect to the principal amount of, Redemption Price, if any, or interest on the Bonds, or (v) any consent given or other action taken by the Depository, or the Nominee, as Owner. The Issuer and the Trustee may treat and consider the Person in whose name each Bond is registered as the Holder and absolute Owner of such Bond for the purpose of payment of the principal amount, Redemption Price, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal amount of, Redemption Price, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown on the registration books of the Issuer maintained by the Trustee, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of the principal amount of, Redemption Price, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner shall receive a Bond evidencing the obligation of the Issuer to make payments of the principal amount of, Redemption Price, if any, and interest pursuant to the Indenture. Upon delivery by the Depository to the Owner, the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in the Indenture with respect to record dates, the term "Nominee" in the Indenture shall refer to such nominee of the Depository.

(c) In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Issuer will discontinue the book-entry system with the Depository with respect to the Bonds. If the Issuer determines to replace the Depository with another qualified securities depository, the Issuer shall prepare or direct

the preparation of a new single, separate, fully registered Bond for each of the maturities of the applicable Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of the Indenture.

(d) The initial Depository shall be DTC. The initial Nominee shall be Cede & Co., as the Nominee of DTC.

(e) In order to qualify the Bonds for the Depository's book-entry system, an Authorized Representative of the Issuer shall execute and deliver to the Depository a Letter of Representations for the Bonds. The execution and delivery of the Letter of Representations shall not in any way limit the provisions of this summarized section or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners, as shown on the Bond Register. In the written acceptance of the Trustee of the Letter of Representations, the Trustee shall agree to take all action necessary for all representations of the Issuer in the Letter of Representations with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Letter of Representations, the Issuer shall take such other actions, not inconsistent with this summarized section, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program. (*Section 2.12*)

Additional Bonds

(a) The Issuer may issue Additional Bonds under the Indenture from time to time on a *pari passu* basis with the Bonds issued under the Indenture for any of the purposes listed below:

(1) To pay the cost of completing the Project or to reimburse expenditures of the Library for any such costs;

(2) To pay the cost of Capital Additions or to reimburse expenditures of the Library for any such cost; or

(3) To pay the cost of refunding through redemption of any Outstanding Bonds issued under the Indenture and subject to such redemption.

(b) In any such event the Trustee shall, at the written request of the Issuer, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of:

(1) (A) a Supplemental Indenture setting forth the terms of the Additional Bonds and, for Additional Bonds described in subsection (a)(1) or (2) above, describing the Capital Additions to become part of the Project; and (B) a supplement to the Loan Agreement providing for additional Debt Service Payments to be made by the Library sufficient to cover the debt service due on the Additional Bonds.

(2) For Additional Bonds described in subsection (a)(1) or (a)(2) above, a certificate signed by the chief executive officer and chief financial officer of the Library stating that the proceeds of the Additional Bonds plus other amounts, if any, available to the Library for the purpose will be sufficient to pay the cost thereof; *provided, however*, such Additional Bonds shall not be issued to cure any deficiencies existing on the date of such certification in any funds required to be maintained under the Indenture;

(3) For Additional Bonds described in subsection (a)(1) above, a certificate of an Authorized Representative of the Library stating (i) the estimated cost of completion of the Project and (ii) that all approvals required for completion of the Capital Addition or addition thereto have been obtained, other than building permits for any portions of such Capital Addition, based on consultations with the Library

and contractor or other construction manager, will be obtained in due course so as not to interrupt or delay construction of such Capital Addition and other than licenses or permits required for occupancy or operation of such Capital Addition or such addition thereto upon its completion;

(4) for Additional Bonds described in subsection (a)(3) above, (A) a certificate of an Authorized Representative of the Library that notice of redemption of the Bonds to be refunded has been given or that provisions have been made therefor, and (B) a certificate of an Accountant stating that the proceeds of the Additional Bonds plus the other amounts, if any, stated to be available for the purpose, will be sufficient to accomplish the purpose of the refunding and to pay the cost of refunding, which shall be itemized in reasonable detail;

(5) for any Additional Bonds, a certified resolution of the Issuer (A) stating the purpose of the issue, (B) establishing the series of Bonds to be issued and providing the terms and form of Bonds thereof and directing the payments to be made into the funds established under the Indenture, (C) authorizing the execution and delivery of the Additional Bonds to be issued and (D) authorizing redemption of any previously issued Bonds which are to be refunded;

(6) for any Additional Bonds, a certificate of an Authorized Representative of the Library stating (A) that no Event of Default under the Indenture or under the Loan Agreement has occurred and is continuing and (B) that the proceeds of the Additional Bonds plus other amounts, if any, stated to be available for that purpose will be sufficient to pay the costs for which the Additional Bonds are being issued, which shall be itemized in reasonable detail;

(7) for any Additional Bonds, a certified resolution of the Board of Trustees of the Library (A) approving the issuance of the Additional Bonds and the terms thereof, (B) authorizing the execution of any required amendments or supplements to the Indenture, and the Loan Agreement, (C) for Additional Bonds described in subsection (a)(1) or (2) above, approving Plans and Specifications for the Project Facility or an addition thereto, and (D) for Additional Bonds described in subsection (a)(3) above, authorizing redemption of the Bonds to be refunded;

(8) for any Additional Bonds, an opinion or opinions of Bond Counsel to the effect that (A) the purpose of the Additional Bonds is one for which Additional Bonds may be issued under this summarized section, (B) all conditions prescribed in the Indenture as precedent to the issuance of the Additional Bonds have been fulfilled, (C) the Additional Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the Library will be valid, legally binding, special obligations of the Issuer, and are entitled to the benefit and security of the Indenture, (D) all consents of any regulatory bodies required as a condition to the valid issuance of the Additional Bonds have been obtained and (E) issuance of such Additional Bonds will not adversely affect the tax status of any Outstanding Tax-Exempt Bonds issued by the Issuer for the benefit of the Library;

(9) for Additional Bonds described in Subsection (a)(1) or (a)(2) above, an opinion of Independent Counsel to the Library if the acquisition of any real property or interest therein is included in the purpose of such issue, that (A) the Library has good and marketable title thereto free of all liens and encumbrances except Permitted Encumbrances (*provided*, that, in lieu of such opinion, the Library may provide a policy of title insurance insuring the Library's interest is subject only to Permitted Encumbrances) and (B) for any Additional Bonds described in subsection (a)(1) or (2) above, all consents of any regulatory bodies required as a condition to the acquisition or construction of any Capital Addition have been obtained except for such approvals as, based on consultation with the Library, will be obtained in due course so as not to interrupt or delay construction. (*Section 2.13*)

Payment of Redeemed Series 2021 Bonds

(a) After notice shall have been given in the manner provided in Section 3.02 of the Indenture, the

Series 2021 Bonds or portions thereof called for redemption shall become due and payable on the Redemption Date so designated. Upon presentation and surrender of such Series 2021 Bonds at the Office of the Trustee or as otherwise provided in Sections 2.03(b) and 2.12 of the Indenture, such Series 2021 Bonds shall be paid at the Redemption Price, plus accrued interest to the Redemption Date.

(b) If, on the Redemption Date, moneys for the redemption of all Series 2021 Bonds or portions thereof to be redeemed, together with interest thereon to the Redemption Date, shall be held by the Trustee in the Bond Fund so as to be available therefor on such date, the Series 2021 Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2021 Bonds or portions thereof shall no longer be Outstanding under the Indenture or be secured by or be entitled to the benefits of the Indenture. In the event the Owner fails to present or surrender its Series 2021 Bonds on the Redemption Date, the Trustee shall deposit such moneys in a separate non-interest bearing account, in trust for the benefit of such Owner, and the funds held in such account shall not be invested by the Trustee. If such moneys shall not be available on the Redemption Date, such Series 2021 Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Indenture; additionally, the Trustee shall within fifteen (15) days after the proposed Redemption Date notify all affected Holders that the redemption has been revoked. (*Section 3.03*)

Partial Redemption of Series 2021 Bonds

Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder thereof a new Series 2021 Bond or Series 2021 Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond surrendered. (*Section 3.04*)

Selection of Series 2021 Bonds to be Called for Redemption

If less than all Series 2021 Bonds are to be redeemed, the Series 2021 Bonds to be called for redemption shall be selected by lot. In the case of a Series 2021 Bond of a denomination greater than \$5,000 or any integral multiple thereof, the Trustee shall treat each such Series 2021 Bond as representing such number of separate Series 2021 Bonds each of the denomination of \$5,000 or any integral multiple thereof as is obtained by dividing the actual principal amount of such Series 2021 Bond by \$5,000 or any integral multiple thereof. If the Series 2021 Bonds which are subject to mandatory sinking fund redemption are redeemed in part, such redemption shall reduce the principal amount of such Series 2021 Bond due at maturity by the amount of such payment. The Trustee shall not be liable to any Bondholder for any selection pursuant to Section 3.05 of the Indenture. (*Section 3.05*)

Establishment of Funds and Accounts

The following trust funds and accounts therein are established with the Trustee, and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with the Indenture:

(a) Onondaga Civic Development Corporation Project Fund (Onondaga Free Library Project), Series 2021 (the "Project Fund") within which there shall be two (2) accounts: (1) the Series 2008 Bonds Redemption Account and (2) Costs of Issuance Account;

(b) Onondaga Civic Development Corporation Bond Fund (Onondaga Free Library Project), Series 2021 (the "Bond Fund");

(c) Onondaga Civic Development Corporation Renewal Fund (Onondaga Free Library Project), Series 2021 (the "Renewal Fund");

(d) Onondaga Civic Development Corporation Rebate Fund (Onondaga Free Library Project), Series 2021 (the "Rebate Fund") within which there shall be two (2) accounts, (1) the Rebate Fund Principal Account

and (2) the Rebate Fund Earnings Account; and

(e) Onondaga Civic Development Corporation Earnings Fund (Onondaga Free Library Project), Series 2021 (the "Earnings Fund"). (*Section 4.01*)

Application of Bond Proceeds and Allocation Thereof

Upon receipt of the proceeds of the Series 2021 Bonds, the Trustee shall deposit such proceeds as follows:

(a) In the Bond Fund: all accrued interest, if any, paid by the purchaser of the Series 2021 Bonds; and

(b) In the Project Fund: the balance of the proceeds received from the sale of the Series 2021 Bonds, which balance shall be initially allocated among the various accounts in the Project Fund in such amounts as set forth in the closing memorandum prepared by the Underwriter. (*Section 4.02*)

Moneys to be Held in Trust

All moneys deposited with, paid to or received by the Trustee for the account of the Issuer (excluding the moneys deposited with, paid to or received by the Trustee to be deposited in the Rebate Fund) shall be held by the Trustee in trust and shall be subject to the Lien of the Indenture and held for the security of the Holders until paid in full, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; provided, *however*, that, moneys which have been deposited with, paid to, or received by the Trustee (i) for the redemption of a portion of the Bonds, notice of the redemption of which has been given or (ii) for the payment of Bonds or interest thereon due and payable otherwise than by acceleration, notice of the acceleration of which has been given by declaration, shall be held in trust for and subject to a Lien in favor of only the Holders of such Bonds so called for redemption or so due and payable; and *provided, further*, that, moneys paid to the Trustee to be deposited into the Rebate Fund shall not be subject to the Lien of the Indenture and shall be applied only as provided in Section 4.09 of the Indenture. The Issuer or the Trustee may establish one or more accounts or subaccounts within any of the funds or accounts established under the Indenture in order to provide for the proper administration of and accounting for the moneys and securities held therein, and the Trustee shall establish such accounts and subaccounts to the extent required by any Supplemental Indenture. (*Section 4.03*)

Use of the Moneys in the Project Fund

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of the Loan Agreement and particularly Article III thereof and this summarized section.

(b) The Trustee is authorized and directed to issue its checks or make wire transfers for each disbursement from the Project Fund in accordance with the closing memorandum prepared by the Underwriter. Moneys in the Costs of Issuance Account shall be applied to pay legal, accounting, financial advisor and other costs and expenses incidental to the issuance of the Bonds.

(c) The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom. Until the Project Fund has been fully expended, the Trustee shall furnish the Library with monthly statements showing all receipts and disbursements from the Project Fund since the date of the last statement.

(d) As soon as practicable any balance remaining in the Project Fund, except for amounts required to be transferred to the Rebate Fund as directed by the Library pursuant to and under the Tax Compliance Agreement and Section 4.09 of the Indenture, shall without further authorization be transferred to the Bond Fund and thereafter be applied to pay principal on the Bonds.

(e) All net income or gain received from investments of amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Earnings Fund.

(f) If an Event of Default under the Indenture shall have occurred and the Outstanding principal amount of the Bonds shall have been declared due and payable pursuant to Article VIII of the Indenture, the entire balance remaining in the Project Fund after making the transfer to the Rebate Fund required by the Tax Compliance Agreement and Section 4.09 of the Indenture, shall be transferred to the Bond Fund. *(Section 4.04)*

Payments into the Bond Fund

There shall be deposited by the Trustee into the Bond Fund when and as received the following: (i) accrued interest, if any, as provided in Section 4.02 of the Indenture, (ii) any and all payments received by the Trustee under Sections 4.2(a)(iii), (iv) and (v) of the Loan Agreement, (iii) the balance in the Project Fund, the Renewal Fund, the Earnings Fund and the Rebate Fund to the extent specified in Article IV of the Indenture, (iv) the amount of net income or gain received from the investments of moneys in the Bond Fund and (v) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement or the Indenture which by the terms of the Indenture or the Loan Agreement are required to be or which are accompanied by directions that such moneys are to be paid into the Bond Fund. *(Section 4.05)*

Use of Moneys in the Bond Fund

So long as there remain any Bonds Outstanding, moneys in the Bond Fund shall be used solely for the payment, when due, of Debt Service Payments on the Bonds or for the redemption of the Bonds as provided in the Indenture. Notwithstanding any provision in the Indenture to the contrary, moneys deposited in the Bond Fund in accordance with the provisions of Section 4.04(d) of the Indenture and clause (iii) of Section 4.05 of the Indenture may not be used for the payment of interest on Bonds. *(Section 4.06)*

Payments into Renewal Fund; Application of Renewal Fund

(a) The Net Proceeds resulting from any Loss Event and payable to the Trustee under the Loan Agreement, shall be deposited into the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, Lien and charge in favor of the Trustee until disbursed as provided in the Indenture.

(b) In the event the Bonds shall then be subject to redemption in whole (either by reason of Loss Event or otherwise) pursuant to the terms thereof or the Indenture, the Trustee shall, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund. If, on the other hand, the Library elects to replace, repair, rebuild or restore the Project Facility pursuant to Section 5.3 of the Loan Agreement, and provided no Event of Default shall have occurred and be continuing, the Trustee shall apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture, to such replacement, repair, rebuilding or restoration.

(c) If any Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds deposited into the Renewal Fund, the Trustee shall, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund to be applied in accordance with Section 4.06 of the Indenture.

(d) If the Library elects, in accordance with the Loan Agreement, to replace, repair, rebuild or restore the Project Facility, the Trustee is authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same shall have been paid by or on behalf of the Library or the Issuer) of the costs required for the replacement, repair, rebuilding or restoration of the Project Facility. The Trustee is further authorized and directed to issue its checks or make wire transfers for each disbursement from the Renewal Fund upon being furnished with a written request for disbursement therefor, accompanied by supporting invoices certified to by an Authorized Representative of the Library, stating: (A) the name and address of the Person or Persons to whom payment is to be made, (B) the amount of the payment, (C) that the disbursement is for an expenditure incurred in connection with the replacement, repair, rebuilding, restoration or relocation of the Project

Facility, (D) that none of the items for which the requisition is made has been the basis for any prior disbursements from the Renewal Fund, (E) that with respect to items covered in such request for disbursement, the Authorized Representative of the Library has no knowledge of any vendor's, mechanic's or other liens, bailment leases, conditional sale contracts or security interests or laborers' claims which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment, (F) that all Persons furnishing material to or performing work on the Project Facility have been fully paid to date or will be fully paid to date out of the proceeds of the requisition, and (G) that none of the items for which such requisition is made constitutes equipment (including fixtures) other than equipment listed on any accompanying schedule and having a description sufficient for identification of any such equipment together with all UCC-1 financing statements and UCC-3 financing statement changes necessary to perfect the Trustee's security interest in such equipment; and executed by all the necessary parties other than the Trustee.

(e) Upon completion of the restoration of the Project Facility, an Authorized Representative of the Library shall deliver to the Issuer and the Trustee a certificate stating (1) the date of such completion; (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid; (3) that the Project Facility has been restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function; (4) the applicable Rebate Amount with respect to the Net Proceeds of the Loss Event and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund); (5) that the restored Project Facility is ready for occupancy, use and operation for its intended purposes; and (6) that certificates of occupancy, if required, and any and all permissions, licenses or consents required of any Governmental Authority for the occupancy, operation and use of the Project Facility for its intended purposes, have been obtained. Notwithstanding the foregoing, such certificate may state (i) that it is given without prejudice to any rights of the Library against third parties which exist at the date of such certificate or which may subsequently come into being, (ii) that it is given only for the purposes of this summarized section, and (iii) that no Person other than the Issuer and the Trustee may benefit therefrom.

(f) If the cost of the repairs, rebuilding or restoration effected by the Library shall be less than the amount in the Renewal Fund, or if the Library elects not to repair, rebuild or restore the Project Facility in accordance with Section 5.3 of the Loan Agreement, upon the completion of such repairs, rebuilding or restoration or upon such election not to repair, rebuild or restore, the Trustee shall, after making any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture, transfer any balance remaining in the Renewal Fund to the Bond Fund and apply such amount to pay principal on the Bonds.

(g) All net income or gain received from investments of amounts held in the Renewal Fund shall be transferred by the Trustee and deposited in the Earnings Fund. (*Section 4.07*)

Payments Into Earnings Fund; Application of Earnings Fund

(a) All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Earnings Fund or any other special fund held with respect to the Bonds under the Indenture (other than the Rebate Fund or the Bond Fund) shall be deposited upon receipt by the Trustee into the Earnings Fund. The Trustee shall keep separate accounts of all amounts deposited in the Earnings Fund to indicate the fund source of the income or earnings.

(b) Within thirty (30) days after the end of each Bond Year, or such later date that the Trustee receives the written certificate required to be delivered by or on behalf of the Library pursuant to Section 4.09(c) of the Indenture and the Tax Compliance Agreement, the Trustee shall withdraw from the Earnings Fund an amount equal to the difference, if any, between the Rebate Amount set forth in such certificate and the amount then on deposit in the Rebate Fund. Any amounts remaining in the Earnings Fund following such transfer shall be transferred to the funds, as specifically directed by the Library, which were the sources of the earnings deposited into the Earnings Fund. If an Event of Default under the Indenture shall have occurred and the Outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance

remaining in the Earnings Fund, after making the transfer to the Rebate Fund required in the Tax Compliance Agreement and Section 4.09 of the Indenture, shall be transferred to the Bond Fund and applied to pay principal on the Bonds. (*Section 4.08*)

Payments into Rebate Fund; Application of Rebate Fund

(a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee, the Owner of any Bond or any other Person.

(b) All net income or gain received from investments of moneys held in the Rebate Fund shall be deposited by the Trustee into the Rebate Fund Earnings Account.

(c) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Library, in accordance with the Tax Compliance Agreement, shall deposit in the Rebate Fund Principal Account within thirty (30) days after the end of each fifth Bond Year, or such later date that the Trustee receives such certification from the Library, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to the Tax Compliance Agreement at any time during a Bond Year the Trustee shall deposit in the Rebate Fund Principal Account within thirty (30) days of the Closing Date, or such later date that the Trustee receives such certification from the Library, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated at the Completion Date. The amounts deposited in the Rebate Fund Principal Account pursuant to this paragraph (c) shall be withdrawn from the Earnings Fund, to the extent of any moneys therein and then, to the extent of any deficiency, from such fund or funds as are designated by the Library to the Issuer and the Trustee in writing.

(d) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund Principal Account exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Library, shall withdraw such excess amount and prior to the Closing Date, deposit it in the Project Fund or, after the Closing Date, deposit it in the Bond Fund.

(e) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Library, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than forty-five (45) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount equal to ninety percent (90%) of the balance, if any, in the Rebate Fund Principal Account and the total amount on the Rebate Fund Earnings Account as of the date of such payment and (ii) notwithstanding the provisions of Section 7.02 of the Indenture, not later than thirty (30) days after the date on which all Bonds have been paid in full, the balance in the Rebate Fund.

(f) Notwithstanding any other provision in the Indenture or any of the other Financing Documents, general or specific, to the contrary, the Trustee shall have no obligations under the Indenture or thereunder relating to rebate requirements except to comply with specific written instructions received by the Trustee from the Library with respect to deposits into the Rebate Fund and release the moneys therefrom. The Trustee shall not have any responsibility under the Indenture or under any of the Financing Documents to make any calculations relating to arbitrage restrictions or rebate requirements, or the excludability of the interest on the Bonds from gross income for Federal income tax purposes or to verify, confirm or review (and the Trustee shall not verify, confirm or review) any such calculations or requirements, or of the interest on the Bonds from gross income for Federal income tax purposes or to take any other action with respect thereto under the Indenture or thereunder. The Trustee shall not have any responsibility to notify the Issuer, the Library or any other person of any failure by the Library or any other person to provide to the Trustee timely written certifications relating to arbitrage restrictions or rebate requirements as required under the Indenture or under any other document relating to the Bonds, including, without limitation, certifications regarding investments in certificates of deposit or investment agreements or certifications regarding rebate payments which may be due and payable to the Internal Revenue

Service. (Section 4.09)

Investment of Moneys

(a) Moneys held in any fund established pursuant to Section 4.01 of the Indenture (other than the Bond Fund and the Rebate Fund) shall be invested and reinvested by the Trustee in Authorized Investments, upon and pursuant to direction by the Authorized Representative of the Library. In the absence of such direction, moneys held hereunder by the Trustee shall be held uninvested. Moneys held in the Bond Fund shall be invested and reinvested, upon and pursuant to direction by such Authorized Representative of the Library, only in Authorized Investments maturing or subject to redemption as needed. The investment direction given by the Authorized Representative may be initially written or oral, but if oral shall be promptly confirmed in writing and upon which direction the Trustee may conclusively rely without further inquiry. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the direction of the Library on or prior to the date on which the amounts invested therein will be needed for the purposes of such funds. Upon authorization and direction by the Authorized Representative of the Library, the Trustee shall sell or otherwise reduce to cash a sufficient amount of such investments including whenever the cash balance in such funds is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed at all times a part of the fund for which such moneys are invested, and the interest accruing thereon and any profit realized from such investments shall be credited to and held in, and any loss shall be charged, (i) with respect to the Bond Fund or the Rebate Fund, to such fund, and (ii) with respect to the Project Fund, the Renewal Fund, the Earnings Fund and any other special fund held with respect to the Bonds, to the Earnings Fund. All investments hereunder shall be registered in the name of the Trustee, as Trustee under the Indenture.

(b) Any investment authorized is subject to the condition that no use of the proceeds of any Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds" within the meaning of such quoted term in Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Bonds to be "arbitrage bonds", provided only that the Trustee shall have made such investment pursuant to the written direction (or an initial oral direction promptly confirmed in writing) by an Authorized Representative of the Library as provided in this summarized section.

(c) The Trustee may make any investment permitted by this summarized section through its own investment department. The Trustee is authorized, in making or disposing of any investment permitted by this summarized section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this summarized section or for any loss arising from any such investment.

(d) The Trustee shall cooperate with the Issuer and the Library with respect to filing reports or forms required pursuant to Section 148(f) of the Code, but the Trustee shall not be required to file and shall not be liable for any failure by any person to file any reports or forms required pursuant to Section 148(f) of the Code.

(e) The Trustee shall not be required to obtain and shall not be liable for any failure to obtain any certificate or documentation for the purpose of determining whether a "prohibited payment" has been made under Section 148(f) of the Code. (Section 4.10)

Payment to Library Upon Payment of Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of (1) the principal of, premium, if any, and interest on all the Bonds (or after provision for the payment thereof has been made in accordance with Article VII of the Indenture), (2) the fees, charges and expenses of the Trustee and Paying Agent and its counsel fees and expenses, and (3) all other amounts required to be paid under the Indenture and the Loan Agreement, and provided that all moneys required to be paid into the Rebate Fund have been paid or adequately

provided for, all amounts remaining in any fund established pursuant to Section 4.01 of the Indenture (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the Library under the Indenture and under the Loan Agreement shall be paid to the Library. *(Section 4.11)*

Payment of Principal, Premium, if any, and Interest

Subject to the limitation contained in Section 2.04(b) of the Indenture, the Issuer covenants that it will promptly pay or cause to be paid the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided in the Indenture. All Debt Service Payments on the Bonds shall be a special obligation of the Issuer and payable solely from payments and receipts received pursuant to the Loan Agreement. Nothing in the Bonds or in the Indenture shall be construed as creating a general obligation of the Issuer or pledging any funds or assets of the Issuer other than those pledged in the Indenture. Neither the State of New York nor Onondaga County, New York, shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer. *(Section 5.03)*

Deposit of Revenues

The Issuer covenants that it will deposit, or cause to be deposited, with the Trustee for its account so much of the payments and receipts derived by the Issuer pursuant to the Loan Agreement (except payments and receipts derived pursuant to the Unassigned Rights), the Indenture or otherwise as may be required to pay the Debt Service Payments on the Bonds as the same become due and payable. *(Section 5.04)*

Priority of Security Interest

The Issuer covenants that the Indenture is a first Lien upon the Trust Estate and the Issuer agrees not to create or suffer to be created any Lien, having priority or preference over the Indenture upon the Trust Estate or any part thereof. *(Section 5.05)*

Issuer's Obligations Not to Create a Pecuniary Liability

Each and every covenant made in the Indenture, including all covenants made in the various sections of Article VII of the Indenture, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State nor Onondaga County, New York and neither the State nor Onondaga County, New York, shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be payable by the Issuer solely from the Loan Payments, revenues and receipts derived from or in connection with the Project Facility pledged to the payment thereof in the manner and to the extent in the Indenture specified and nothing in the Bonds, in the Loan Agreement, in the Indenture or in any other Financing Document shall be considered as pledging any other funds or assets of the Issuer. *(Section 5.07)*

Failure to Present Bonds

Subject to the provisions of Section 2.08 of the Indenture, in the event any Bond shall not be presented for payment when the principal or premium thereon, if any, becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Bond shall be held by the Trustee for the benefit of the Holder thereof, all liability of the Issuer to the Trustee thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such moneys for any claim under the Indenture or on, or with respect to, said Bond. Except as may otherwise be required by applicable law, if any Bond shall not be presented for payment within the period of three (3) years following the date when such Bond becomes due, whether by maturity or call for redemption or otherwise, the Trustee shall pay to the Library the funds theretofore held by it for payment of such Bond, and the Owner of such Bond shall thereafter look only to the Library for payment thereof, and such Bond shall, subject to

the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Library. Except as may otherwise be required by applicable law, the Trustee shall, at least sixty (60) days prior to the expiration of such three (3) year period, give written notice to any Bondholder who has not presented any Bond for payment at such Bondholder's address on the registration books of the Issuer that any moneys held for the payment of any such Bond will be returned as provided in this summarized section at the expiration of such three (3) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to this summarized section. *(Section 5.12)*

Cancellation

All Bonds which have been paid, redeemed, purchased or surrendered shall be canceled and, subject to the record retention requirements of the Securities Exchange Act of 1934, as amended, or other applicable law, and disposed by the Trustee in accordance with its customary procedures. *(Section 5.13)*

Payments Due on Other Than Business Days

In any case where a Bond Payment Date shall not be a Business Day, then payment of the principal of, premium, if any, and interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date due and no interest shall accrue for the period after such date. *(Section 5.14)*

Covenant Against Arbitrage Bonds

Notwithstanding any other provision of the Indenture, so long as the Bonds shall be Outstanding, the Issuer shall not use, or direct or permit the use of, the proceeds of the Bonds or any other moneys within its control (including without limitation any moneys in the Bond Fund and the proceeds of any insurance award with respect to the Project Facility) in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of such quoted term in Section 148 of the Code and the Issuer further covenants that it will comply with the requirement of such section and all regulations thereunder. *(Section 5.15)*

Covenant Regarding Adjustment of Debts

In any case under Title 11 of the United States Bankruptcy Code involving the Issuer as debtor, the Issuer, unless compelled by a court of competent jurisdiction, shall neither list the Trust Estate or any part thereof as an asset or property of the Issuer nor list any amounts owed upon the Bonds Outstanding as a debt of or claim against the Issuer. *(Section 5.16)*

Limitation on Obligations of the Issuer

Notwithstanding any provision of the Indenture or the Loan Agreement to the contrary, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision of the Indenture (other than pursuant to Section 5.03 of the Indenture, and then only to the extent set forth in the Indenture), unless (i) it shall have been requested to do so in writing by the Trustee or the Holders of not less than fifty-one percent (51%) of the Bonds then Outstanding or the Library and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Issuer or any member, director, employee, agent or servant of the Issuer of any liability, fees, expenses or other costs it shall have received from the Trustee, such Holders or the Library, as the case may be, security or indemnity reasonably satisfactory to the Issuer for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs; *provided, however*, that, no limitation on the obligations of the Issuer contained in this summarized section by virtue of any lack of assurance provided in clause (ii) of the Indenture shall be deemed to prevent the occurrence and full force and effect of an Event of Default pursuant to Section 8.01 of the Indenture. *(Section 5.17)*

Inspection of Books

All books and records, if any, in the Issuer's possession relating to the Project and the Project Facility and the amounts derived from the Project Facility shall at all reasonable times be open to inspection by such Accountants or other agents as the Trustee may from time to time designate. (*Section 5.18*)

Discharge of Lien

(a) If the Issuer shall pay or cause to be paid to the Holders of all the Outstanding Bonds the principal thereof, premium, if any, and interest thereon, at the times and in the manner stipulated therein and in the Indenture and if there shall have been paid all fees, charges and expenses of the Trustee or any additional Paying Agent required to be paid under Section 9.02 of the Indenture, then the Lien on the Trust Estate created for the benefit of the Bondholders so paid and the Trustee's right, title and interest in and to the Loan Agreement shall be released, discharged and satisfied. In such event, except as otherwise specifically provided in the Indenture, the Trustee and any additional Paying Agent shall pay or deliver all moneys or securities held by either of them pursuant to the Indenture which are not required for the payment of such Bonds (except for moneys and securities held with respect to the Unassigned Rights, which shall be paid or delivered to the Issuer and except for moneys in the Rebate Fund which shall be applied only as provided in Section 4.09 of the Indenture) to the Library. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under the Indenture as security for the benefit of the Bondholders not so paid or not caused to be so paid.

(b) When all of the Outstanding Bonds shall have been paid in full or provision for such full payment of all Outstanding Bonds shall have been made in accordance with this summarized section, the Trustee and the Issuer shall take all appropriate action to cause the Lien of the Indenture upon the Trust Estate, and the Trustee's right, title and interest in and to the Loan Agreement, to be released, discharged, satisfied and canceled.

(c) Notwithstanding the fact that the Lien of the Indenture upon the Trust Estate may have been discharged and canceled in accordance with this summarized section, the Indenture and the rights granted and duties imposed by the Indenture, shall nevertheless continue and subsist until the principal, premium, if any, and interest on all of the Bonds shall have been fully paid or the Trustee shall have returned to the Library pursuant to Section 5.12 of the Indenture all funds theretofore held by the Trustee for payment of any Bonds not theretofore presented for payment. (*Section 7.01*)

Defeasance of Bonds

(a) Any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, subsection (a) of Section 7.01 if (i) there shall have been irrevocably deposited with the Trustee sufficient cash or Governmental Obligations in accordance with subsection (b) of this summarized section which will, without further investment, be sufficient, together with other amounts held for such payment, to pay the principal of the Bond when due or to redeem the Bond at the Redemption Price, if any, specified in Section 3.01 of the Indenture, (ii) in the event such Bond is to be redeemed prior to maturity in accordance with Section 3.01 of the Indenture, all action required by the provisions of the Indenture to redeem the Bonds shall have been taken or provided for, and notice thereof in accordance with Section 3.02 of the Indenture shall have been duly given or provisions shall have been made for the giving of such notice, (iii) the Library shall have submitted to the Trustee a report or opinion prepared by an independent certified public accountant or firm of independent certified public accountants, certifying that there has been deposited with the Trustee sufficient cash or Governmental Obligations as being necessary to defease the Bonds; (iv) provision shall have been made for the payment of all fees and expenses of the Trustee, including counsel fees, and of any additional Paying Agents with respect to the Bonds, (iv) the Issuer shall have been reimbursed for all of its expenses under the Financing Documents, (v) the Library shall have made or provided for all other payments required to be made under the Loan Agreement and the Indenture with respect to the Bonds and (vi) the Library shall have caused to be delivered an opinion of Bond Counsel to the effect that the Bonds have been

defeased in compliance with the terms of the Indenture. At such time as a Bond shall be deemed to be paid under the Indenture, as aforesaid, such Bond shall no longer be secured by or entitled to the benefit of the Indenture, except for the purposes of any such payment from such moneys or Governmental Obligations.

(b) For the purposes of subsection (a)(i) of this summarized section the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee for such purpose moneys either in cash or Governmental Obligations maturing or redeemable at the option of the holder thereof not later than (i) the maturity date of such Bond, or (ii) the first date following the date on which such Bond is to be redeemed pursuant to Article III of the Indenture (whichever may first occur), or both cash and such Governmental Obligations, in an amount which, together with income to be earned on such Governmental Obligations (without reinvestment) prior to such maturity date or Redemption Date, equals the principal due on such Bond, together with the premium, if any, due thereon and all interest thereon which has accrued and which will accrue to such maturity date or Redemption Date. The Trustee shall, at the expense of the Library, obtain a certificate from an Accountant as to whether the cash or Governmental Obligations held by the Trustee meet the requirements of this subsection (b).

(c) Upon the defeasance of all Outstanding Bonds in accordance with this summarized section, the Trustee shall hold in trust, for the benefit of the Holders of such Bonds, all such moneys and/or Governmental Obligations and shall make no other or different investment of such moneys and/or Governmental Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds. (*Section 7.02*)

Events of Default

The following shall be "Events of Default" under the Indenture, and the terms "Event of Default" or "Default" shall mean, when they are used in the Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of the interest on any Bond, irrespective of notice; or

(b) A default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof, upon proceedings for redemption thereof, or upon the maturity thereof by declaration or otherwise; or

(c) (i) Subject to clause (ii) below, the failure by the Issuer to observe and perform any covenant, condition or agreement under the Indenture on its part to be observed or performed (except obligations referred to in Section 8.01(a) and (b) of the Indenture) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer and the Library by the Trustee or by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of Outstanding Bonds; or

(ii) If the covenant, condition, or agreement which the Issuer has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Issuer shall not be in default if the Issuer commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Trustee or the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds Outstanding; or

(d) The occurrence and continuation of an "Event of Default" under the Loan Agreement; or

(e) The failure by the Library, the Town or the Fiscal Agent to comply with their respective obligations and duties under the Fiscal Agency Agreement; or

(f) The Issuer or its Authorized Representative shall have made, in any certificate, statement, representation, warranty or financial statement heretofore or hereafter furnished to the Trustee in connection with

the financing of the Project, a material representation which proves to have been false and misleading as of the time such statement was made, or any such certificate, statement, representation, warranty or financial statement shall omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. *(Section 8.01)*

Acceleration

(a) Upon the occurrence and continuance of an Event of Default under Section 8.01 of the Indenture, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Outstanding Bonds, shall, by written notice delivered to the Issuer and the Library declare all Bonds Outstanding immediately due and payable, and such Bonds shall become immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding.

(b) Upon the acceleration, by declaration or otherwise, of the Bonds, the Trustee shall declare all unpaid payments payable by the Library under the Financing Documents to be immediately due and payable. *(Section 8.02)*

Enforcement of Remedies

(a) In the event the Bonds are declared immediately due and payable, the Trustee may, and upon the written request of the Holders as set forth in paragraph (d) of this summarized section shall, proceed forthwith to protect and enforce its rights and the rights of the Holders under the Bonds, the Fiscal Agency Agreement the Loan Agreement, the Assignment and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem necessary or expedient. Upon the occurrence and continuance of any Event of Default, and upon being provided with the security and indemnity if so required pursuant to Section 9.01(b)(xiv) of the Indenture, the Trustee shall exercise such of the rights and powers vested in the Trustee by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use in the circumstances in the conduct of such person's own affairs.

(b) The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the Library for the payment of the principal, premium, if any, and interest on the Outstanding Bonds under any of the provisions of the Indenture, the Bonds, the Fiscal Agency Agreement, the Loan Agreement or the Assignment, without prejudice to any other right or remedy of the Trustee or of the Holders.

(c) Notwithstanding anything to the contrary contained in the foregoing paragraph (a), upon the occurrence and continuance of any Event of Default the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, interest on the Bonds then Outstanding and to enforce and compel the performance of the duties and obligations of the Issuer and the Library under the Financing Documents. In addition, the Trustee may, without notice to the Issuer or the Library, exercise any and all remedies afforded the Issuer under Article VIII of the Loan Agreement in its name or the name of the Issuer without the necessity of joining the Issuer.

(d) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than fifty-one percent (51%) in the aggregate principal amount of the Outstanding Bonds shall, and if provided with the security and indemnity required by Section 9.01(b)(xiv) of the Indenture shall, institute and maintain such suits and proceedings as advised by such Holders shall be necessary or expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the Bonds, or to preserve or protect the interests of the Holders; *provided*, that, such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders not making such request. The Trustee may rely upon an opinion of legal counsel in making such a determination. *(Section 8.03)*

Appointment of Receiver

Upon the occurrence of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Holders under the Indenture, the Trustee shall be entitled, as a matter of right under the Indenture, to the appointment of a receiver or receivers for the revenues and receipts thereof pending such proceedings, with such powers as the court making such appointment shall confer. *(Section 8.04)*

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of Article VIII of the Indenture shall be deposited in the Bond Fund.

(b) All moneys deposited in the Bond Fund in accordance with paragraph (a) above shall be applied to the payment of the reasonable fees and expenses, including counsel fees, of the Trustee and the Issuer and then:

(i) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable,

FIRST - To the payment of all installments of the interest then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or preference;

SECOND - To the payment of the unpaid principal or Redemption Price of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD - To the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable.

(ii) If the principal of all the Bonds shall have become due by declaration or otherwise, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of Article VIII of the Indenture then, subject to the provisions of paragraph (b)(ii) of this summarized section in the event that the principal of all the Bonds shall later become due by declaration or otherwise, the moneys shall be applied in accordance with the provisions of paragraph (b)(i) of this summarized section.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this summarized section, such moneys shall be applied within five (5) Business Days of the Trustee's receipt of such moneys. On the date of a declaration of an acceleration of the Bonds, pursuant to Section 8.02(a) of the Indenture, interest on the amount of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date. The Trustee shall not

be required to make payment to the Holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid. *(Section 8.05)*

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture, the Fiscal Agency Agreement, the Loan Agreement, the Assignment or under the Bonds may be enforced by the Trustee without the possession of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiff or defendant the Holders. Subject to the provisions of Section 8.05 of the Indenture, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds. *(Section 8.06)*

Remedies Not Exclusive

No remedy conferred upon or reserved to the Trustee or to the Holders by the Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Holders now or hereafter existing at law or in equity or by statute. *(Section 8.07)*

Termination of Proceedings

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then the Issuer, the Library, the Trustee, and the Holders shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been taken. *(Section 8.10)*

Waiver and Non-Waiver of Event of Default

(a) Subject to the provisions of Section 8.08 of the Indenture, the Trustee may waive any Event of Default under the Indenture and its consequences and annul any acceleration in accordance with Section 8.02 of the Indenture, and shall do so upon the written request of the Holders of at least fifty-one percent (51%) in aggregate principal amount of all the Bonds then Outstanding; *provided, however*, that, there shall not be waived (A) any Event of Default in the payment of the principal of, or premium, if any, on any Outstanding Bonds when due (whether at maturity or mandatory or optional redemption), or (B) any default in the payment when due of the interest on any such Bonds, or (C) any default upon which prior action has been taken by the Holders of a majority in the aggregate principal amount of the Bonds then Outstanding, unless prior to such waiver or rescission all arrears of interest, with interest, to the extent permitted by law, on all arrears of payments of principal when due, and all expenses of the Trustee in connection with such default shall have been paid or provided for. No such waiver shall extend to or affect any other existing or any subsequent Event of Default.

(b) No delay or omission of the Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by Article VIII of the Indenture to the Trustee and the Holders may be exercised from time to time and as often as may be deemed necessary or expedient. *(Section 8.11)*

Notice of Defaults

(a) Promptly after (i) the receipt of notice of an Event of Default as provided in Section 9.01(b)(ix) of the Indenture, or (ii) the occurrence of an Event of Default of which the Trustee is deemed to have notice by such Section, the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Holder; *provided*, that, except in the case of a default in the payment of the principal of or premium, if any, or interest on the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interest of the Holders. The Trustee may

rely upon an opinion of legal counsel in making such a determination.

(b) The Trustee shall promptly notify the Issuer and the Library of any Event of Default known to the Trustee. (*Section 8.12*)

Appointment of Trustee and Acceptance of Duties

(a) Manufacturers and Traders Trust Company is appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee, subject to the terms and conditions set forth in subsection (b) of this summarized section, by executing the Indenture.

(b) The acceptance by the Trustee of the trusts imposed upon it by the Indenture and its agreement to perform said trusts is subject to the following express terms and conditions, and no implied covenants or obligations shall be read into the Indenture against the Trustee:

(i) Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred and has not been cured, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a reasonable and prudent person would use, under the circumstances, in the conduct of such person's own affairs.

(ii) The Trustee may execute any of the trusts or powers conferred upon it in the Indenture and perform any of its duties under the Indenture by or through attorneys, agents or employees, and shall not be responsible for the acts or omissions of any such attorney, agent or employee appointed with due care. The Trustee shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, and believed by it to be authorized or within the discretion or rights or powers conferred upon it under the Indenture. The Trustee shall be entitled to act upon the opinion or advice of its counsel concerning all matters with respect to the trust and its duties under the Indenture and may in all cases pay such reasonable compensation to all such attorneys and agents as may reasonably be employed in connection with the trust under the Indenture. The Trustee may act upon an opinion of Independent Counsel selected with reasonable care, which may be Bond Counsel, Counsel to the Issuer, or counsel of its selection and shall not be responsible for any loss or damages resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion.

(iii) Except as expressly provided in the Indenture, the Trustee shall not be responsible for any recital in the Indenture or in the Bonds (except in respect of the Certificate of Authentication of the Trustee endorsed on the Bonds) or for the validity of the execution by the Issuer of the Indenture or for the sufficiency of security for the Bonds or for the recording or re-recording or the filing or re-filing of any of the Financing Documents or for insuring any Property securing the Bonds, or for collecting any insurance moneys, or for the validity of the execution by the Issuer of the Indenture or of any supplement to the Indenture or any instrument of further assurance, or for the sufficiency or validity of the security for the Bonds, or for any value of or title to any Property securing the Bonds, or for the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Library under any of the Financing Documents.

(iv) The Trustee may become a Holder of the Bonds with the same rights which it would have if it were not Trustee.

(v) The Trustee may deal with any Person with the same rights which it would have and in the same manner as if it were not Trustee.

(vi) The Trustee shall be protected in acting in good faith upon any notice, resolution, request, report, requisition, consent, certificate, instruction, direction, opinion, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Holder of any Bond shall be conclusive and binding upon all future Owners of the same Bond and of any Bond or Bonds issued in exchange therefor or in place thereof.

(vii) The Trustee may conclusively rely upon:

(1) a certificate, signed by an Authorized Representative of the Issuer,

(A) as to the existence or non-existence of any fact or facts stated therein,

(B) as to the sufficiency or validity of any instrument, paper or proceeding, other than a resolution of the Issuer, or

(C) prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 9.01(b)(ix) of the Indenture or of which by said Section the Trustee is deemed to have notice, as to the necessity or appropriateness of any particular dealing, transaction, or action; and

(2) a certificate, signed by the Secretary of the Issuer, as to the due adoption and validity of a resolution of the Issuer.

(viii) The permissive right of the Trustee to do things enumerated in the Indenture or the Loan Agreement or other Financing Documents shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its willful misconduct or gross negligence.

(ix) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default, except for a default in payment of principal, Redemption Price or interest on any of the Bonds, unless the Trustee shall be specifically notified in writing of such Event of Default by the Issuer, the Library, or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Bonds, and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default, except as aforesaid.

(x) All moneys received by the Trustee shall, until used or applied as provided in the Indenture, be held in trust in the manner and for the purpose for which they were received but need not be segregated from other moneys held by the Trustee except to the extent required by the Indenture or by law. The Trustee shall not be liable for any interest on any moneys received under the Indenture.

(xi) At any reasonable time, the Trustee and its duly authorized agents, experts, and representatives may (but shall not be obligated to) inspect any of the security for the Bonds and any books, papers and records of the Issuer or the Library pertaining to the Project, the Project Facility and the Bonds.

(xii) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers intended to be conferred upon it in the Indenture or otherwise in respect of the premises.

(xiii) The Trustee may (but shall not be obligated to) demand, as a condition of the withdrawal of any moneys or the taking of any other action contemplated by the Indenture, any certificates, opinions, appraisals, or other information, or corporate action or evidence thereof (in addition to any other prerequisites required in any other Section of the Indenture) which the Trustee may reasonably deem desirable for the purpose

of establishing the right of the Issuer to the withdrawal of the moneys or the taking of the other action.

(xiv) Before taking any action under the Indenture or the other Financing Documents, the Trustee may require that satisfactory security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) be furnished to it for the reimbursement of all expenses (including reasonable attorneys' fees and expenses) to which it may be put and to protect it against all liability, except liability which may be adjudicated by a court of competent jurisdiction to have directly resulted from its own willful misconduct or gross negligence by reason of any action so taken; *provided, however*, that, the failure to provide the Trustee with the security and indemnity referred to in this paragraph (xiv) shall not nullify or otherwise affect the occurrence of an Event of Default under the Indenture.

(xv) The Trustee shall not be personally liable for any debts contracted, or for damages arising from injury to persons or damage to Property, or for salaries, or for nonfulfillment of contracts during any period when it may be in the possession of or managing any Property as in the Indenture provided.

(xvi) The Trustee (and its directors, officers, employees and agents) shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture upon the opinion of any attorney (who may be an attorney for the Issuer), engineer, appraiser, accountant or agent believed by the Trustee to be qualified in relation to the subject matter and the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion.

(xvii) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, debenture or other paper or documents, but the Trustee, in its discretion, may make such further inquiry or investigation, and it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

(xviii) Before taking any action under the Indenture or any of the other Financing Documents which the Trustee has determined may create any claim against the Trustee that the Trustee is liable for any penalties, fines, liabilities, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise arising out of the presence on or in the Project Facility or the Land of any Hazardous Substance, oil, petroleum products and their byproducts or any substance that is or becomes regulated by any federal, state or local governmental authority, the Trustee may require that such inspection, test and curative actions as it deems necessary be taken and further, that reasonable security or indemnity be furnished to it for the reimbursement of all sums to which it may be put and to protect it against liability for any of the foregoing.

(xix) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under the Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including, without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(xx) The Library shall indemnify, defend and hold harmless the Trustee and its directors, officers, employees and agents from any and against all liabilities and expenses of any character or nature, (including, without limitation, reasonable attorney's fees and expenses and the costs of enforcement of the Indenture or any provision thereof), which the Trustee and its directors, officers, employees and agents may incur or with which it may be threatened by reason of acting as or on behalf of the Trustee under the Indenture, except to the extent the same shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the Trustee's gross negligence or willful misconduct. The terms of this indemnity shall survive the termination of the Indenture or the earlier resignation or removal of the Trustee. (*Section 9.01*)

Intervention by Trustee

In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee, has a substantial bearing on the interests of the Holders, the Trustee may, and if so requested in writing by the Holders of fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding shall, intervene on behalf of the Holders, subject, however, to Section 13.06 of the Indenture. (*Section 9.03*)

Right of Trustee to Pay Taxes, Insurance Premiums and Other Charges

(a) If any tax, assessment or governmental or other charge upon any part of the Trust Estate is not paid or any insurance is not maintained as required in the Indenture, or if an Event of Default occurs and the Trustee incurs costs and expenses in accordance therewith, the Trustee may (but shall not be obligated to) pay such tax, assessment, governmental or other charge or insurance premium, without prejudice, however, to any rights of the Trustee or the Holders under the Indenture arising in consequence of such failure. Any amount so paid under this summarized section shall become so much additional indebtedness secured by the Indenture, and the same shall be given a preference in payment over the Bonds and interest thereon and shall be paid out of the proceeds of revenues collected from the Trust Estate, if not otherwise caused to be paid.

(b) The Trustee shall be under no obligation to make any payment described in subsection (a) of this summarized section unless it shall have been requested in writing to do so by the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds and shall have been provided with adequate funds to make such payment. (*Section 9.04*)

Supplemental Indentures Not Requiring Consent of Holders

(a) Without the consent of or notice to any of the Holders, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(i) In connection with the issuance of Additional Bonds, to set forth such matters as are specifically required or permitted under the Indenture;

(ii) To cure any ambiguity or formal defect or omission in the Indenture or in any description of the Property subject to the Lien of the Indenture, if such action is not materially adverse to the Bondholders;

(iii) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(v) To add to the limitations and restrictions in the Indenture or limitations and restrictions to be observed by the Issuer and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(vi) To subject to the Lien of the Indenture additional revenue, receipts, Property or collateral;

(vii) To evidence the appointment of a successor Trustee as specifically required or permitted under the Indenture; or

(viii) To effect any other change in the Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

(b) The Trustee may conclusively rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions.

(c) All fees, costs and expenses (including attorneys' fees and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Library. (*Section 10.01*)

Supplemental Indentures Requiring Consent of Holders

(a) Except as provided in Section 10.01 of the Indenture, the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture or in the Bonds; *provided, however*, that, nothing contained in this summarized section shall permit:

(i) a change in the terms of redemption or maturity of the principal or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount of or premium, if any, on any Outstanding Bond or the rate of interest thereon, without the consent of the Holder of such Bond; or

(ii) the creation of a Lien upon the Trust Estate ranking prior to or on a parity with the Lien created by the Indenture, without the consent of the Holders of all Outstanding Bonds; or

(iii) the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Holders of all Outstanding Bonds; or

(iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, without the consent of the Holders of all Outstanding Bonds.

(b) If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.02(a) of the Indenture, the Trustee, upon being satisfactorily indemnified, shall cause notice of the proposed execution of such Supplemental Indenture to be sent to each Holder at the address of such Holder appearing on the bond register; *provided, however*, that, the failure to give such notices or any defect therein shall not affect the validity of any proceeding taken pursuant to the Indenture. Such notices shall briefly summarize the contents of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by the Holders.

(c) If, within such period after the first mailing of the notice required by Section 10.02(b) of the Indenture as the Issuer shall prescribe, with the approval of the Trustee, the Issuer shall deliver to the Trustee an instrument or instruments executed by the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee shall execute such Supplemental Indenture.

(d) If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) The Trustee may conclusively rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee and (ii) the evidence of requisite consent of the Holders thereto, comply with the provisions of this summarized section.

(f) The Trustee shall not be required to execute a Supplemental Indenture or amendment if such Supplemental Indenture or amendment adversely affects its duties, rights or immunities. *(Section 10.02)*

Consent of Library to Supplemental Indentures

Notwithstanding anything contained in the Indenture to the contrary, no Supplemental Indenture which affects any rights of the Library shall become effective unless and until the Library shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee may conclusively rely upon the opinion of Independent Counsel as conclusive evidence of whether or not a Supplemental Indenture affects any rights of the Library within the meaning of, and for the purposes of, this summarized section. *(Section 10.03)*

Effect of Supplemental Indentures

Any Supplemental Indenture executed in accordance with the provisions of Article X of the Indenture shall thereafter form a part of the Indenture. All the terms and conditions contained in any such Supplemental Indenture shall be part of the terms and conditions of the Indenture for any and all purposes. *(Section 10.04)*

Amendments to Loan Agreement

(a) Without the consent of or notice to the Holders, the Issuer may enter into, and the Trustee may consent to, any amendment, change or modification of the Loan Agreement as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of issuing Additional Bonds under Section 2.13 of the Indenture, (iii) for the purpose of curing any ambiguity or formal defect or omission therein, (iv) in connection with the description of the Project, or (v) in connection with any other change therein, which does not adversely affect the interests of the Trustee or the Holders.

(b) Except for amendments, changes or modifications as provided in subsection (a) of this summarized section, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without notice thereof being given to the Holders in the manner provided in Section 10.02 of the Indenture and the written approval and consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in Section 10.02 of the Indenture; *provided, however,* that, no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds.

(c) The Trustee may conclusively rely on an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification and the evidence of requisite Holder consent comply with the requirements of this summarized section. *(Section 11.01)*

Amendments to Tax Compliance Agreement

(a) Without the consent of or notice to any of the Holders, the Issuer and the Trustee may consent to any amendment, change or modification of the Tax Compliance Agreement as may be required (i) for the purpose of curing any ambiguity or formal defect or omission, or (ii) in connection with any other change therein which, in either case, in the sole judgment of the Trustee does not adversely affect the interests of the Trustee or the Owners of the Bonds.

(b) Except for amendments, changes or modifications as provided in subsection (a) of this summarized section, neither the Issuer nor the Trustee shall consent to or enter into any amendment, change or modification of the Tax Compliance Agreement, without mailing notice thereof to the Holders and obtaining the written approval and consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding procured and given in the manner set forth in Section 10.02 of the Indenture.

(c) The Trustee may conclusively rely upon an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of this summarized section. (*Section 11.02*)

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APPENDIX – H

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “**Agreement**”), dated as of August 1, 2021, by and among ONONDAGA FREE LIBRARY (the “**Obligated Party**”) and MANUFACTURERS AND TRADERS TRUST COMPANY in its capacity of disseminating agent hereunder (the “**Disseminating Agent**”) is executed and delivered in connection with the issuance by the Issuer of its \$[Total Par Amount] Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021, consisting of \$[] Revenue Refunding Bonds, Series 2021A and \$[] Taxable Revenue Refunding Bonds, Series 2021B dated their date of delivery (the “Series A Bonds” and the “Series B Bonds,” together the “Bonds” and individually the “respective Bonds”), issued pursuant to that certain Indenture of Trust, dated as of August 1, 2021 (the “**Indenture**”), by and between the Onondaga Civic Development Corporation (the “**Issuer**”) and Manufacturers and Traders Trust Company as trustee (the “Trustee”). Capitalized terms used in this Agreement which are not otherwise defined herein or in the Indenture shall have the respective meanings specified in Article IV hereof and, if not defined in Article IV hereof, then as set forth in Appendix D to the Official Statement of the Issuer, dated August 3, 2021, relating to the Bonds (the “**Official Statement**”).

In consideration of the purchase of the Bonds by Robert W. Baird & Co. Incorporated (the “**Underwriter**”) and the subsequent registered owners and beneficial owners of the Bonds and the undertakings set forth in this Agreement, the parties hereto agree as follows:

ARTICLE I The Undertaking

Section 1.1 Purpose; No Issuer Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the registered owners and any beneficial owners of the Bonds, and is being executed and delivered solely for the purpose of enabling the Underwriter to comply with subsection (b)(5) of Rule 15c2-12 promulgated by United States Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The Obligated Party and the Disseminating Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement, and shall have no liability to any person, including any registered owner or beneficial owner of the Bonds, with respect to any such reports, notices or disclosures.

Section 1.2 Annual Financial Information.

(a) The Obligated Party shall provide to the Disseminating Agent the Annual Financial Information, commencing with the fiscal years ending on or after December 31, 2021, within one hundred eighty (180) days after the end of such fiscal year. The Disseminating Agent shall provide notice in writing to the Obligated Party that such Annual Financial Information is required to be provided by such date, at least forty-five (45) days but not more than sixty (60) days in advance of such date. The Disseminating Agent shall provide such Annual Financial Information to (i) EMMA, and (ii) the Issuer, in each case within ten (10) days after receipt by the Disseminating Agent. The Disseminating Agent is disseminating the Annual Financial Information and the other notices referenced herein at the direction of the Obligated Party, and (i) has no duty or responsibility as to the legal correctness or accuracy of the form or content of said Annual Financial Information or notices or any other information provided pursuant to this Agreement, and (ii) has no duty to determine if the Annual Financial Information, notices or other information provided pursuant to this Agreement complies with the terms of this Agreement.

(b) The Disseminating Agent shall provide, in a timely manner, notice substantially in the form of Exhibit A of any failure of any Obligated Party or the Disseminating Agent to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to (i) EMMA, (ii) the Issuer and (iii) the Obligated Party.

Section 1.3 Obligated Party Annual Financial Information. Annual Financial Information means, with respect to the Obligated Party, the financial information and operating data with respect to the Obligated Party, for each fiscal year of the Obligated Party, as follows:

- (a) annual financial statements of the Obligated Party;
- (b) operating data and financial information of the type included under the caption “THE LIBRARY” in the Official Statement including the statistics under the subheading “General Information” and under the subheading “Revenues and Expenses” unless such information is included in the Audited Financial Statements of the Obligated Party; and
- (c) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Obligated Party and in judging the financial and operating condition of the Obligated Party.

Section 1.4 Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 1.2 hereof, the Obligated Party shall provide Audited Financial Statements, when and if available, to the Disseminating Agent. Contemporaneously therewith, the Obligated Party shall provide any such Audited Financial Statement to (i) EMMA, and (ii) the Issuer.

Section 1.5 Material Event Notices.

- (a) If a Material Event occurs, the Obligated Party shall provide, in a timely manner not in excess of seven (7) days after the occurrence of the event, a Material Event Notice to the Disseminating Agent. The Disseminating Agent shall provide each such Material Event Notice to (i) EMMA, (ii) the Issuer and (iii) the Obligated Party, in each case within three (3) days after receipt by the Disseminating Agent.
- (b) Upon any legal defeasance of the Bonds, the Disseminating Agent shall provide notice of such defeasance to EMMA, which notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 1.6 Additional Disclosure Obligations. The Obligated Party acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended and the Rule, may apply to the Obligated Party, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligated Party under such laws.

Section 1.7 Additional Information. Nothing in this Agreement shall be deemed to prevent the Obligated Party from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or Material Event Notice, in addition to that which is required by this Agreement. If the Obligated Party chooses to include any information in any Annual Financial Information or Material Event Notice in addition to that which is specifically required by this Agreement, the Obligated Party shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or Material Event Notice.

Section 1.8 No Previous Non-Compliance. Except as otherwise disclosed in the Official Statement, the Obligated Party represents that it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Section 1.9 Successor or Assignee. The Obligated Party agrees to cause any successor to or assignee of its obligations under the respective loan agreements executed by the Obligated Party in connection with the issuance of the Bonds, or a guaranty of the Bonds or other documents to execute and deliver an agreement in substantially the form of this Agreement, substituting such successor or assignee for the Obligated Party, as applicable.

ARTICLE II Operating Rules

Section 2.1 Reference to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Obligated Party provides Annual Financial Information by specific reference to (i) any documents either (a) provided to EMMA existing at the time of such reference or (b) filed with the SEC, or (ii) any document available from the MSRB if such document is an Official Statement.

Section 2.2 Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3 Material Event Notices. Each Material Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4 Reserved.

Section 2.5 Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The current fiscal year for the Obligated Party is January 1st to December 31st. The Obligated Party shall promptly notify the Disseminating Agent in writing of each change in its fiscal year. The Disseminating Agent shall provide such notice to (i) EMMA, and (ii) the Issuer, in each case within ten (10) Business Days after receipt by the Disseminating Agent.

ARTICLE III Termination, Amendment and Enforcement

Section 3.1 Termination.

(a) If the Obligated Party's obligations under the Loan are assumed in full by some other entity, such entity shall be responsible for compliance with this Agreement in the same manner as if it were the Obligated Party, and thereupon the Obligated Party shall have no further responsibility hereunder.

(b) All obligations of the Obligated Party and the Disseminating Agent under this Agreement shall terminate upon a legal defeasance pursuant to the Indenture, prior redemption or payment in full of all of the Bonds.

(c) All obligations of the Obligated Party shall terminate if and when the Obligated Party is no longer an "Obligated Party" with respect to the Bonds within the meaning of the Rule.

(d) This Agreement, or any provision hereof, shall be null and void in the event that

the Obligated Party delivers to the Disseminating Agent an opinion of Counsel, addressed to the Obligated Party, the Issuer and the Disseminating Agent (with a copy to (i) EMMA, and (ii) the Issuer) to the effect that those portions of the Rule which require this Agreement, or any of the provisions hereof, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion.

Section 3.2 Amendment; Waiver.

(a) This Agreement may be amended or any provision hereof may be waived, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) if such amendment or waiver relates to the provisions of Section 1.2, 1.3, 1.4, 1.5 or this Section 3.2 or to any definition related thereto, such amendment or waiver is made in connection with a change in legal (including regulatory) requirements, a change in law (including rules and regulations) or in interpretations thereof, or a change in the identity, nature or status of the Obligated Party or the type of business conducted thereby, (2) this Agreement as so amended or taking into account such waiver would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel, addressed to the Issuer and the Disseminating Agent (with a copy to (i) EMMA, and (ii) the Issuer), to the same effect as set forth in clause (2) above, and (4) either (i) a party unaffiliated with the Issuer or the Disseminating Agent (such as the firm serving at the time as bond counsel to the Issuer), shall have determined that, or the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel selected by and acceptable to the Obligated Party, addressed to the Issuer and the Disseminating Agent, to the effect that, the amendment or waiver does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment or waiver.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision hereof may be waived, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel, addressed to the Issuer and the Disseminating Agent, to the effect that performance by the Obligated Party and the Disseminating Agent under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Obligated Party shall have delivered contemporaneously therewith copies of such opinion and amendment or waiver to (i) EMMA, and (ii) the Issuer.

(c) To the extent any amendment to or waiver of a provision of this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment or waiver and the impact of the change.

(d) If a change is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such amendment shall be provided by the applicable Obligated Party to the Disseminating Agent; the Obligated Party shall provide contemporaneously

therewith such notice to (i) EMMA, and (ii) the Issuer.

Section 3.3 Benefit; Third-party Beneficiaries.

(a) The provisions of this Agreement shall inure solely to the benefit of the holders from time to time of the Bonds, except that for so long as the Bonds are held in book-entry-only form through a securities depository pursuant to the Indenture, beneficial owners of Bonds shall be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. The obligations of the parties to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Disseminating Agent on behalf of the holders of the Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Disseminating Agent on behalf of the holders of Outstanding Bonds; provided, however, that the Disseminating Agent shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding, who shall have provided the Disseminating Agent with adequate security and indemnity. The holders' and Disseminating Agent's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligations under this Agreement. In consideration of the rights of the third-party beneficiary status of beneficial owners of the Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Bonds for purposes of this subsection (b).

(c) Any failure by a party to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture, the Loan Agreement or the Bonds, and the rights and remedies provided by the Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement (i) is not intended to impose obligations on the Obligated Party that are not required to achieve the purposes stated in Sections 1.2, 1.3, 1.4 and 1.5(a) of this Agreement; (ii) does not constitute an acknowledgment by the Obligated Party of the validity of the Rule; and (iii) is valid and binding only to the extent and for so long as the Rule is valid and remains in effect. The Obligated Party expressly reserves the right to contest the validity of all or any portion of the Rule, including, without limitation, as a defense in any action or proceeding. If the Rule or any portion thereof is determined to be invalid or is repealed, or is amended to reduce the undertakings required to be obtained for "Obligated Party" within the meaning of the Rule, the obligations of the Obligated Party under this Agreement shall be correspondingly reduced or terminated. The Obligated Party expressly reserves the right to modify its performance of its obligations hereunder, to the extent not inconsistent with those portions, if any, of the Rule that remain valid and effective.

(e) The Obligated Party and the Disseminating Agent, their directors, officers and employees, to the extent applicable, shall have no liability under this Agreement for any act or failure to act under this Agreement.

(f) THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND ANY SUITS AND ACTIONS ARISING OUT OF THIS AGREEMENT SHALL BE INSTITUTED IN A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT TO THE EXTENT THIS AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES

LAWS, INCLUDING THE RULE, THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH SUCH FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

Section 3.4 Resignation or Replacement of Disseminating Agent. The Disseminating Agent and any successor Disseminating Agent may, at any time, resign from and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Obligated Party, by first class mail. Such resignation shall take effect upon the date specified in such notice, provided, however, that in no event shall such a resignation take effect until a successor Disseminating Agent has been appointed. Further, if the Disseminating Agent resigns as Trustee under the Indenture in accordance with the terms thereof, such resignation, upon becoming effective, will automatically result in the resignation of the Disseminating Agent hereunder. The Obligated Party may, from time to time, discharge the Disseminating Agent and appoint a successor Disseminating Agent. If a successor Disseminating Agent is appointed, such successor Disseminating Agent shall execute an acceptance of duties as Disseminating Agent in substantially the form attached as Exhibit B hereto.

ARTICLE IV Definitions

Section 4.1 Definitions. The following terms used in this Agreement shall have the following respective meanings:

(a) **“Issuer”** means the Onondaga Civic Development Corporation, a not-for-profit corporation of the State of New York.

(b) **“Audited Financial Information”** shall have the meaning assigned in Section 1.3 above.

(c) **“Audited Financial Statements”** means, with respect to the Obligated Party, the annual financial statements, if any, of the Obligated Party, audited by a firm of independent accountants. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the Obligated Party may from time to time, if required by GAAP, modify the accounting principles to be followed in preparing its financial statements. The written notice of any such modification required by Section 3.2(d) hereof shall include a reference to the specific governing pronouncement describing such accounting principles.

(d) **“Counsel”** means a nationally recognized bond counsel expert in federal securities laws, in either case unaffiliated with the Issuer or the Obligated Party.

(e) **“Disseminating Agent”** means Manufacturers and Traders Trust Company, acting in its capacity as Disseminating Agent hereunder, or any successor Disseminating Agent designated in writing by the Obligated Party and which has executed a written acceptance of such designation in the form attached hereto as Exhibit B.

(f) **“EMMA”** means the Electronic Municipal Market Access system established and operated by the MSRB at <http://www.emma.msrb.org>, or such other similar system established and operated by the MSRB.

(g) **“GAAP”** means generally accepted accounting principles in the United States of America in effect from time to time.

(h) **“Material Event”** means any of the following events with respect to the Bonds, whether relating to the Obligated Party or otherwise:

- (i) principal and interest payment delinquencies
- (ii) non-payment related defaults, if material
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties
- (iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties
- (v) substitution of credit or liquidity providers, or their failure to perform
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds
- (vii) modifications to rights of Note holders, if material
- (viii) Bond calls, if material, and tender offers
- (ix) defeasances
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material
- (xi) rating changes
- (xii) bankruptcy, insolvency, receivership or similar event of the Obligated Party
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Obligated Party or the sale of all or substantially all of the assets of the Obligated Party, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (xv) incurrence of a financial obligation of the Obligated Party, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Party, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Party, any of which reflect financial difficulties.

Note: with respect to events (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(h) **“Material Event Notice”** means notice of a Material Event.

(i) **“MSRB”** means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

(j) **“Obligated Party”** means Onondaga Free Library.

(k) **“Rule”** means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of issuance and delivery of the Bonds, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(l) **“SEC”** means the United States Securities and Exchange Commission.

(m) **“State”** means the State of New York.

ARTICLE V
Miscellaneous

Section 5.1 Duties, Immunities and Liabilities of Disseminating Agent. The Disseminating Agent shall have only such duties under this Agreement as are specifically set forth in this Agreement, and the Obligated Party agrees to indemnify and save the Disseminating Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Disseminating Agent's gross negligence or willful misconduct in the performance of its duties hereunder. Such indemnity shall be separate from and in addition to that provided to the Disseminating Agent under the Indenture. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Disseminating Agent and payment of the Bonds.

Section 5.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.3 The Disseminating Agent. Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of the Disseminating Agent and the Disseminating Agent shall not be subject to any liability hereunder for acting or failing to act, as the case may be.

(Remainder of page intentionally left blank)

[Signature Page to Continuing Disclosure Agreement]

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

ONONDAGA FREE LIBRARY

By: _____

Susan Morgan, Director

**MANUFACTURERS AND TRADERS TRUST
COMPANY, as Disseminating Agent**

By: _____

Name: Jennifer L. Cook

Title: Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Onondaga Civic Development Corporation
Name of Bond Issue: Onondaga Civic Development Corporation Revenue Refunding Bonds
(Onondaga Free Library Project), Series 2021
Name of Obligated Person: Onondaga Free Library
Date of Issuance: _____, 2021

NOTICE IS HEREBY GIVEN that the Onondaga Free Library (the “Library”) has not provided the Annual Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated _____, 2021, between the Library and Manufacturers and Traders Trust Company, as disseminating agent (the “Disseminating Agent”).

DATED _____, 20__

Manufacturers and Traders Trust Company,
as Disseminating Agent

cc: Onondaga Free Library

EXHIBIT B

ACCEPTANCE OF DUTIES AS DISSEMINATING AGENT

The undersigned, duly authorized officer of [Name of Successor Disseminating Agent] (the "Disseminating Agent") hereby accepts the duties and obligations imposed upon the undersigned as Disseminating Agent under the Continuing Disclosure Agreement dated as of August 1, 2021, between Onondaga Free Library and Manufacturers and Traders Trust Company, as initial Disseminating Agent.

The principal corporate trust office of the Disseminating Agent is _____.

Date: _____

_____,
as successor Disseminating Agent

By: _____
Name: _____
Title: _____

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

THIS CONTINUING DISCLOSURE UNDERTAKING (the “Agreement”), dated as of August 1, 2021, by the TOWN OF ONONDAGA (the “Town”) is executed and delivered in connection with the issuance by the Onondaga Civic Development Corporation (the “Issuer”) of its \$[_____] Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021, consisting of \$[_____] Revenue Refunding Bonds, Series 2021A and \$[_____] Taxable Revenue Refunding Bonds, Series 2021B dated their date of delivery (the “Series A Bonds” and the “Series B Bonds,” together the “Bonds” and individually the “respective Bonds”), issued pursuant to that certain Indenture of Trust, dated as of August 1, 2021 (the “Indenture”), by and between Issuer and Manufacturers and Traders Trust Company as trustee (the “Trustee”). In accordance with the requirements of Rule 15c2-12 promulgated by United States Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended and officially interpreted from time to time (the “Rule”), the Town hereby agrees to provide, or cause to be provided, during the period in which the Bonds are outstanding:

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in set forth in “APPENDIX C - CERTAIN INFORMATION CONCERNING THE TOWN” of the Final Official Statement dated August __, 2021 of the Issuer relating to the Bonds, and by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2021, and (ii) a copy of the audited financial statements, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2021; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year;
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Town, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies;
 - (b) non-payment related defaults, if material;
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (e) substitution of credit or liquidity providers, or their failure to perform;

- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the securities, or other material events affecting the tax status of the securities;
- (g) modifications to rights of security holders, if material;
- (h) bond or note calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the securities; if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a “financial obligation” (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Bond holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

The Town may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the Town determines that any such other event is material with respect to the Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

Event (c) is included pursuant to a letter from the Commission staff to the National Association of Bond Lawyers dated as of September 19, 1995.

With respect to event (d), the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

The Town reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town's obligations under its continuing disclosure undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town, provided that, the Town agrees that any such modifications will be done in a manner consistent with the Rule.

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IN WITNESS WHEREOF, I have set my hand as Town Supervisor of the Issuer this August 1,
2021.

TOWN OF ONONDAGA

By: _____
Thomas P. Andino, Jr., Supervisor

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APPENDIX I

FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the delivery of the Series 2021 Bonds, Harris Beach PLLC, Bond Counsel to the Issuer, proposes to deliver its legal opinion in substantially the following form:

August __, 2021

Onondaga Civic Development Corporation
333 West Washington Street
Syracuse, New York 13202

Re: \$ _____ Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A and \$ _____ Onondaga Civic Development Corporation Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B.

Ladies and Gentlemen:

We have examined the record of proceedings in connection with the issuance by the Onondaga Civil Development Corporation (the "Issuer") of its \$ _____ Onondaga Civic Development Corporation Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021A (the "Series 2021A Bonds") and its \$ _____ Onondaga Civic Development Corporation Taxable Revenue Refunding Bonds (Onondaga Free Library Project), Series 2021B (the "Series 2021B Bonds"; and, together with the Series 2021A Bonds, the "Series 2021 Bonds"). The Series 2021 Bonds are authorized to be issued pursuant to (i) Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), (ii) Resolution No. 192, as amended by Resolution No. 472, adopted by the Onondaga County Legislature on October 6, 2009 and on September 6, 2011, respectively (collectively, the "County Resolution"), (iii) a bond resolution adopted by the board of directors of the Issuer on July 26, 2021 (the "Bond Resolution") and (iv) an Indenture of Trust, dated as of August 1, 2021 (the "Indenture"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee") for the purpose of financing a Project (defined herein) being undertaken by the Onondaga Free Library (the "Library"), a free association library and New York not-for-profit corporation chartered by the State Board of Regents – State Education Department and holding 501(c)(3) status under the Internal Revenue Code of 1986, as amended (the "Code").

The Project being financed with the Series 2021 Bonds (the "Project") for the benefit of the Library consists of: (A) the refunding of all or the outstanding principal amount of the Onondaga County Industrial Development Agency Civil Facility Revenue Bonds (Onondaga Free Library Project), Series 2008 (the "Series 2008 Bonds"), issued in the original principal amount of \$3,000,000, the proceeds of which were used to finance a certain project consisting of: (1) the acquisition by the Issuer of an interest in certain lands of the Library located at 4840 West Seneca Turnpike in the Town of Onondaga, Onondaga County, New York (the "Land"), together with the existing 7,000 square-foot public library located thereon (the "Existing Improvements"); (2) the renovation of the Existing Improvements and the construction of an approximately 15,000 square foot addition to the Existing Facility (the "Addition"; and, together with the Existing Improvements referred to as the "Facility"); and (3) the acquisition and installation in and around the Facility of certain machinery and equipment (collectively, the "Equipment"; and, together with the Land and the Facility being collectively referred to as the "Project Facility"); and (B) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Series 2021 Bonds (the costs associated with items (A) and (B) above being hereinafter collectively referred to as the "Project Costs").

The Series 2021 Bonds will be initially purchased by Robert W. Baird & Co., Inc. (the "Underwriter"), pursuant to a Bond Purchase Agreement, dated August __, 2021 (the "Bond Purchase Agreement") from the Underwriter and accepted by the Issuer and the Library.

Under the terms of a certain Loan Agreement, dated as of August 1, 2021 (the "Loan Agreement") between the Issuer and the Library, the Issuer has made a loan to the Library in an amount equal to the net proceeds of the Series 2021 Bonds and the Library has agreed to make loan payments in such amounts and at such times as will be sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds as the same become due and payable and to make certain other payments with respect to the Series 2021 Bonds as described therein.

As security for the Series 2021 Bonds, (i) the Issuer assigned to the Trustee all of its rights under the Loan Agreement (except Unassigned Rights), pursuant to the terms of a certain Pledge and Assignment (Loan Agreement) with an Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Issuer to the Trustee (the "Loan Agreement Assignment"); (ii) the Library will assign its rights in the Annual tax (as defined in the hereinafter defined "Fiscal Agency Agreement") in the manner set forth in the Fiscal Agency Agreement, dated as of August 1, 2021 (the "Fiscal Agency Agreement"), among the Issuer, the Library, the Town of Onondaga, New York and Manufacturers and Traders Trust Company, as fiscal agent, and the Town shall pay amounts received through the Annual Tax to the Fiscal Agent (the "Fiscal Agent") in the manner set forth in the Fiscal Agency Agreement; and (iii) the Fiscal Agent shall assign to the Trustee all of its rights under the Fiscal Agency Agreement pursuant to the terms of a certain Pledge and Assignment (Fiscal Agency Agreement) with an Acknowledgement thereof by the Library, dated as of August 1, 2021, from the Fiscal Agent to the Trustee (the "Fiscal Agency Agreement Assignment"); and, together with the Loan Agreement Assignment, the "Assignment").

The Issuer and the Library have executed and delivered a certain Tax Compliance Agreement, dated the date of issuance of the Series 2021A Bonds (the "Tax Compliance Agreement"), in which the Issuer and the Library have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Code.

The Series 2021 Bonds are dated as of their date of issuance and bear interest from that date on the unpaid principal amount at the rates set forth in, and pursuant to the terms of, the Indenture and the Series 2021 Bonds. The Series 2021 Bonds are subject to prepayment or redemption prior to maturity, in whole or in part, at such time or times, or under such circumstances and in such manner as are set forth in the Series 2021 Bonds and the Indenture.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents, without having conducted any independent investigation.

In rendering the opinions set forth below, we have relied upon the opinions of Bond, Schoeneck & King PLLC, counsel to the Library, and Hodgson Russ LLP, counsel to the Trustee, each of even date herewith, as to the matters set forth in each of such opinions without making any independent investigation of the factual basis therefor or the legal conclusions set forth therein.

All capitalized terms, not otherwise defined herein, shall have the meaning ascribed to such terms in Schedule A attached to the Indenture.

Based upon and in reliance upon the foregoing, and subject to the limitations hereafter set forth, it is our opinion that:

(a) The Issuer is a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State and is duly organized and existing under the laws of the State.

(b) The Issuer is duly authorized and entitled by law and the County Resolution to issue, execute, sell and deliver the Series 2021 Bonds for the purpose of financing the Project.

(c) The Bond Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and legally binding upon the Issuer in accordance with its terms.

(d) The Series 2021 Bonds have been duly authorized, executed and delivered, have been duly issued for value by the Issuer and are valid and legally binding special obligations of the Issuer payable in accordance with their terms and are entitled to the benefit and security of the Indenture in accordance with its terms.

(e) The Series 2021 Bonds do not constitute a debt of the State or Onondaga County, New York, and neither the State nor Onondaga County, New York, shall be liable thereon.

(f) Subject to the limitation hereinafter set forth, under statutes, regulations, administrative rulings and court decisions existing as of the date hereof, interest on the Series 2021A Bonds is excluded from gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Code and is not an item of tax preference for purposes of calculating the federal alternative minimum tax.

(g) Under existing law, for so long as interest on the Series 2021A Bonds is and remains excluded from gross income for federal income tax purposes, such interest is and will remain exempt from personal income taxes imposed by the State and any political subdivisions thereof.

(h) Interest on the Series 2021B Bonds is included in gross income for federal income tax purposes and is subject to personal income taxes imposed by the State and any political subdivision thereof.

In rendering the opinions set forth in paragraphs (f) and (g) above, we have relied upon, among other things, certain representations and covenants of (1) the Issuer in the Indenture, the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Issuer, dated the date hereof and (2) the Library in the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Library, dated the date hereof. We call your attention to the fact that there are certain requirements contained in the Code with which the Issuer and the Library must comply from and after the date of issuance of the Series 2021A Bonds in order for the interest thereon to be and remain excluded from gross income for federal income tax purposes, and consequently to remain exempt from personal income taxes imposed by the State or any political subdivision thereof. The Issuer, the Library or any other Person, by failing to comply with such requirements, may cause interest on the Series 2021A Bonds to become includable in gross income for federal income tax purposes and therefore subject to personal income taxes imposed by the State and any political subdivision thereof, in each case retroactive to the date of issuance of the Series 2021A Bonds. We render no opinion as to any federal, state or local tax consequences with respect to the Series 2021A Bonds, or the interest thereon, if any change occurs or action is taken or omitted under the Indenture, the Loan Agreement, the Tax Compliance Agreement, or under any other relevant documents by the Issuer or the Library without the advice or approval of, or upon the advice or approval of any Bond Counsel other than, Harris Beach PLLC.

The foregoing opinions are qualified to the extent that the enforceability of the Bond Resolution, the Series 2021 Bonds, any of the Financing Documents and any other document executed in connection therewith may be limited by any applicable bankruptcy, insolvency or other similar law or equitable principle now or hereafter enacted by the State or the federal government or pronounced by a court having proper jurisdiction, affecting the enforcement of creditors' rights generally.

We express no opinion as to the sufficiency of the description of the Project in the Indenture, the Loan Agreement, the Assignment or any other document. Further, we have not been requested to examine and have not examined any documents or information relating to the Issuer or the Library other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial information, or the adequacy thereof, which has been or may be supplied to the Underwriter or any other person.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date hereof. We express no opinion herein except as to the laws of the State of New York and the federal laws of the United States of America.

Very truly yours,

HARRIS BEACH PLLC

By: _____
Christopher A. Andreucci, Member