

REFUNDING BOND RESOLUTION NO. 546 -2016

REFUNDING BOND RESOLUTION OF THE COUNTY OF SUFFOLK, NEW YORK, ADOPTED JUNE 21, 2016, AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING SERIAL BONDS OF SAID COUNTY, STATING THE PLAN OF REFUNDING, APPROPRIATING AN AMOUNT NOT TO EXCEED \$540,000,000 FOR SUCH PURPOSE, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$540,000,000 REFUNDING BONDS TO FINANCE SAID APPROPRIATION, AND MAKING CERTAIN OTHER DETERMINATIONS RELATIVE THERETO

Recitals

WHEREAS, on August 7, 2008 the County of Suffolk, New York (herein called the "County"), issued its \$17,625,000 Refunding Serial Bonds – 2008 Series A (the "2008A Refunding Bonds"), of which there is \$1,326,396 principal amount currently outstanding that has not been previously economically defeased by the County (the "2008A Outstanding Refunding Bonds"); and

WHEREAS, the 2008A Refunding Bonds were issued to advance refund, pursuant to Section 90.10 of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York (herein called the "Law"), all or a portion of the County's Public Improvement (Serial) Bonds, 1997 Series B and Public Improvement (Serial) Bonds and Public Improvement Refunding (Serial) Bonds, 1998 Series D, which were originally issued pursuant to the bond resolutions referenced in the Bond Certificates (as hereinafter defined) for each such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2008A Outstanding Refunding Bonds mature on November 1 in the years and in the principal amounts and bear interest payable semiannually on May 1 and November 1 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$314,198 | 5.00% |
| 2017 | \$312,931 | 5.00% |
| 2018 | \$279,267 | 5.00% |
| 2019 | \$225,000 | 5.00% |
| 2020 | \$195,000 | 5.00% |

WHEREAS, the 2008A Outstanding Refunding Bonds maturing on or after November 1, 2019 are subject to redemption prior to maturity, at the option of the County, on November 1, 2018, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the

redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on August 7, 2008 the County issued its \$3,855,000 Refunding Serial Bonds – 2008 Series B (the “2008B Refunding Bonds”), of which there is \$3,780,000 principal amount currently outstanding (the “2008B Outstanding Refunding Bonds”); and

WHEREAS, the 2008B Refunding Bonds were issued to advance refund, pursuant to Section 90.10 of the Law, all or a portion of the County’s Public Improvement (Serial) Bonds, 1998 Series A, which were originally issued pursuant to the bond resolutions referenced in the Bond Certificate for such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2008B Outstanding Refunding Bonds mature on August 1 in the years and in the principal amounts and bear interest payable semiannually on February 1 and August 1 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$10,000 | 3.625% |
| 2017 | \$15,000 | 3.750% |
| 2018 | \$15,000 | 4.000% |
| 2019 | \$15,000 | 4.000% |
| 2020 | \$920,000 | 4.000% |
| 2021 | \$925,000 | 4.125% |
| 2022 | \$935,000 | 4.250% |
| 2023 | \$945,000 | 4.250% |

WHEREAS, the 2008B Outstanding Refunding Bonds maturing on or after August 1, 2019 are subject to redemption prior to maturity, at the option of the County, on August 1, 2018, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on August 7, 2008 the County issued its \$13,080,000 Refunding Serial Bonds – 2008 Series C (the “2008C Refunding Bonds”), of which there is \$3,774,054 principal amount currently outstanding that has not been previously economically defeased by the County (the “2008C Outstanding Refunding Bonds”); and

WHEREAS, the 2008C Refunding Bonds were issued to advance refund, pursuant to Section 90.10 of the Law, all or a portion of the County’s Public Improvement Refunding (Serial) Bonds, 1998 Series C and Public Improvement (Serial) Bonds, 2000 Series B, which were originally issued pursuant to the bond resolutions referenced in the Bond Certificates for each such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2008C Outstanding Refunding Bonds mature on September 15 in the years and in the principal amounts and bear interest payable semiannually on March 15 and September 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$514,983 | 5.00% |
| 2017 | \$514,982 | 5.00% |
| 2018 | \$2,019,089 | 5.00% |
| 2019 | \$485,000 | 5.00% |
| 2020 | \$240,000 | 5.00% |

WHEREAS, the 2008C Outstanding Refunding Bonds maturing on or after September 15, 2019 are subject to redemption prior to maturity, at the option of the County, on September 15, 2018, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on May 21, 2009, the County issued its \$78,265,000 Public Improvement Serial Bonds-2009 Series A, dated May 15, 2015 (the "2009A Bonds"), of which there is \$54,160,984 principal amount currently outstanding that has not been previously economically defeased by the County (the "2009A Outstanding Bonds"), pursuant to the bond resolutions referenced in the Bond Certificate for such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2009A Outstanding Bonds mature on May 15 in the years and in the principal amounts and bear interest payable semiannually on May 15 and November 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2017 | \$4,008,880 | 3.00% |
| 2018 | \$4,148,666 | 3.00% |
| 2019 | \$4,298,438 | 3.25% |
| 2020 | \$4,465,000 | 3.50% |
| 2021 | \$4,645,000 | 4.00% |
| 2022 | \$4,840,000 | 4.00% |
| 2023 | \$5,055,000 | 4.00% |
| 2024 | \$5,285,000 | 4.00% |
| 2025 | \$5,530,000 | 4.00% |
| 2026 | \$5,800,000 | 4.25% |
| 2027 | \$6,085,000 | 4.25% |

WHEREAS, the 2009A Outstanding Bonds maturing on or after May 15, 2020 are subject to redemption prior to maturity, at the option of the County, on May 15, 2019, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on October 29, 2009, the County issued its \$158,205,000 Public Improvement Serial Bonds-2009 Series C (the “2009C Bonds”), of which there is \$116,075,000 principal amount currently outstanding (the “2009C Outstanding Bonds”), pursuant to the bond resolutions referenced in the Bond Certificate for such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2009C Outstanding Bonds mature on October 15 in the years and in the principal amounts and bear interest payable semiannually on April 15 and October 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$7,425,000 | 4.00% |
| 2017 | \$7,610,000 | 4.00% |
| 2018 | \$7,815,000 | 4.00% |
| 2019 | \$8,035,000 | 4.00% |
| 2020 | \$8,275,000 | 4.00% |
| 2021 | \$8,535,000 | 4.00% |
| 2022 | \$8,805,000 | 4.00% |
| 2023 | \$9,095,000 | 4.00% |
| 2024 | \$9,405,000 | 4.00% |
| 2025 | \$9,730,000 | 4.00% |
| 2026 | \$10,075,000 | 4.00% |
| 2027 | \$10,440,000 | 4.00% |
| 2028 | \$10,830,000 | 4.00% |

WHEREAS, the 2009C Outstanding Bonds maturing on or after October 15, 2020 are subject to redemption prior to maturity, at the option of the County, on October 15, 2019, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on May 27, 2010, the County issued its \$96,205,000 Public Improvement Serial Bonds-2010 Series A (the “2010A Bonds”), of which there is \$70,210,000 principal amount currently outstanding (the “2010A Outstanding Bonds”), pursuant to the bond resolutions referenced in the Bond Certificate for such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2010A Outstanding Bonds mature on February 1 in the years and in the principal amounts and bear interest payable semiannually on February 1 and August 1 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2017 | \$4,775,000 | 3.000% |
| 2018 | \$4,925,000 | 3.000% |
| 2019 | \$5,085,000 | 3.000% |
| 2020 | \$5,265,000 | 3.000% |
| 2021 | \$5,460,000 | 3.125% |
| 2022 | \$5,665,000 | 3.250% |
| 2023 | \$5,880,000 | 3.500% |
| 2024 | \$6,115,000 | 4.000% |
| 2025 | \$6,355,000 | 4.000% |
| 2026 | \$6,615,000 | 4.000% |
| 2027 | \$6,890,000 | 4.000% |
| 2028 | \$7,180,000 | 4.000% |

WHEREAS, the 2010A Outstanding Bonds maturing on or after February 1, 2020 are subject to redemption prior to maturity, at the option of the County, on February 1, 2019 and any date thereafter, as a whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on October 28, 2010, the County issued its \$111,505,000 Public Improvement Serial Bonds-2010 Series B (the "2010B Bonds"), of which there is \$86,405,000 principal amount currently outstanding (the "2010B Outstanding Bonds"), pursuant to the bond resolutions referenced in the Bond Certificate for such series of bonds for the purpose of providing original funding for the projects as set forth therein; and

WHEREAS, the 2010B Outstanding Bonds mature on October 15 in the years and in the principal amounts and bear interest payable semiannually on April 15 and October 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$5,175,000 | 3.000% |
| 2017 | \$5,275,000 | 3.000% |
| 2018 | \$5,385,000 | 3.000% |
| 2019 | \$5,515,000 | 3.000% |
| 2020 | \$5,655,000 | 3.000% |

| | | |
|------|-------------|--------|
| 2021 | \$5,810,000 | 3.000% |
| 2022 | \$5,980,000 | 3.000% |
| 2023 | \$6,165,000 | 3.250% |
| 2024 | \$6,355,000 | 3.250% |
| 2025 | \$6,560,000 | 3.375% |
| 2026 | \$6,775,000 | 3.500% |
| 2027 | \$7,005,000 | 3.500% |
| 2028 | \$7,245,000 | 3.625% |
| 2029 | \$7,505,000 | 3.750% |

WHEREAS, the 2010B Outstanding Bonds maturing on or after October 15, 2019 are subject to redemption prior to maturity, at the option of the County, on October 15, 2018 and any date thereafter, as a whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on May 26, 2011, the County issued its \$100,110,000 Public Improvement Serial Bonds-2011 Series A (the "2011A Bonds"), of which there is \$77,315,000 principal amount currently outstanding (the "2011A Outstanding Bonds"); and

WHEREAS, the 2011A Outstanding Bonds mature on May 15 in the years and in the principal amounts and bear interest payable semiannually on May 15 and November 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2017 | \$5,335,000 | 3.000% |
| 2018 | \$5,495,000 | 3.000% |
| 2019 | \$5,665,000 | 3.000% |
| 2020 | \$5,835,000 | 3.000% |
| 2021 | \$6,015,000 | 3.000% |
| 2022 | \$6,205,000 | 3.250% |
| 2023 | \$6,435,000 | 4.000% |
| 2024 | \$6,695,000 | 4.000% |
| 2025 | \$6,970,000 | 4.000% |
| 2026 | \$7,255,000 | 4.000% |
| 2027 | \$7,550,000 | 4.000% |
| 2028 | \$7,860,000 | 4.000% |

WHEREAS, the 2011A Outstanding Bonds maturing on or after May 15, 2020 are subject to redemption prior to maturity, at the option of the County, on May 15, 2019, and

any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, on October 27, 2011, the County issued its \$76,075,000 Public Improvement Serial Bonds-2011 Series B (the “2011B Bonds”), of which there is \$58,837,914 principal amount currently outstanding that has not been previously economically defeased by the County (the “2011B Outstanding Bonds”); and

WHEREAS, the 2011B Outstanding Bonds mature on October 15 in the years and in the principal amounts and bear interest payable semiannually on April 15 and October 15 in each year to maturity, as follows:

| <u>Year</u> | <u>Currently Outstanding</u> | <u>Interest Rate</u> |
|-------------|------------------------------|----------------------|
| 2016 | \$4,369,490 | 3.000% |
| 2017 | \$4,429,483 | 3.000% |
| 2018 | \$4,494,475 | 3.000% |
| 2019 | \$4,574,466 | 3.000% |
| 2020 | \$4,665,000 | 3.000% |
| 2021 | \$4,775,000 | 3.000% |
| 2022 | \$4,890,000 | 3.250% |
| 2023 | \$5,020,000 | 3.250% |
| 2024 | \$5,160,000 | 3.500% |
| 2025 | \$5,315,000 | 3.500% |
| 2026 | \$5,485,000 | 3.500% |
| 2027 | \$5,660,000 | 3.750% |

WHEREAS, the 2011B Outstanding Bonds maturing on or after October 15, 2020 are subject to redemption prior to maturity, at the option of the County, on October 15, 2019, and any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption; and

WHEREAS, Section 90.10 of the Law permits the County to refund all or a portion of the outstanding unredeemed maturities of the 2008A Outstanding Refunding Bonds, 2008B Outstanding Refunding Bonds, 2008C Outstanding Refunding Bonds, 2009A Outstanding Bonds, 2009C Outstanding Bonds, 2010A Outstanding Bonds, 2010B Outstanding Bonds, 2011A Outstanding Bonds and 2011B Outstanding Bonds (referred to herein collectively as the “Outstanding Bonds”) by the issuance of new bonds, the issuance of which will result in present value debt service savings for the County, and the County Legislature has determined that it may be advantageous to refund all or a portion of the Outstanding Bonds;

NOW, THEREFORE BE IT RESOLVED BY THE COUNTY LEGISLATURE OF THE COUNTY OF SUFFOLK, NEW YORK, (by the favorable vote of not less than two-thirds of all the members of said County Legislature) AS FOLLOWS:

Section 1. In this resolution, the following definitions apply, unless a different meaning clearly appears from the context:

- (a) “Bond To Be Refunded” or “Bonds To Be Refunded” means all or a portion of the aggregate Outstanding Bonds, as shall be determined in accordance with Section 8 hereof.
- (b) “Bond Certificate” or “Bond Certificates” means one or more of the bond certificates or certificates of determination, as amended or supplemented, as applicable, that (i) were executed by the County Comptroller or the Chief Deputy County Comptroller, in accordance with the delegations of authority contained in the bond resolutions for each of the objects or purposes financed by the Bonds to be Refunded, or in the case of the 2008A Outstanding Refunding Bonds, 2008B Outstanding Refunding Bonds and 2008C Outstanding Refunding Bonds, in the bond resolutions for each of the objects or purposes refinanced by the 2008A Refunding Bonds, 2008B Refunding Bonds and 2008C Refunding Bonds, and (ii) provided for the issuance of such Bonds to be Refunded, or in the case of the 2008A Outstanding Refunding Bonds, 2008B Outstanding Refunding Bonds and 2008C Outstanding Refunding Bonds, the respective bonds refunded by the 2008A Refunding Bonds, 2008B Refunding Bonds and 2008C Refunding Bonds.
- (c) “Escrow Contract” means, with respect to each Respective Series of Refunding Bonds, the contract to be entered into by and between the County and the Escrow Holder pursuant to Section 10 hereof.
- (d) “Escrow Holder” means, with respect to each Respective Series of Refunding Bonds, the bank or trust company designated as such pursuant to Section 10 hereof.
- (e) “Present Value Savings” means the dollar savings which result from the issuance of the Refunding Bonds computed by discounting the principal and interest payments on both the Refunding Bonds and the Bonds To Be Refunded from the respective maturities thereof to the date of issue of the Refunding Bonds at a rate equal to the effective interest cost of the Refunding Bonds. The effective interest cost of the Refunding Bonds shall be that rate which is arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Refunding Bonds from the maturity dates thereof to the date of issue of the Refunding Bonds and to the agreed upon price including estimated accrued interest.
- (f) “Redemption Date” means November 1, 2018, or any date thereafter with respect to the 2008A Outstanding Refunding Bonds; August 1, 2018 or any date thereafter with respect to the 2008B Outstanding Refunding

Bonds; September 15, 2018 or any date thereafter with respect to the 2008C Outstanding Refunding Bonds; May 15, 2019 or any date thereafter with respect to the 2009A Outstanding Bonds; October 15, 2019 or any date thereafter with respect to the 2009C Outstanding Bonds; February 1, 2019 or any date thereafter with respect to the 2010A Outstanding Bonds; October 15, 2018 or any date thereafter with respect to the 2010B Outstanding Bonds; May 15, 2019 or any date thereafter with respect to the 2011A Outstanding Bonds; and October 15, 2019 or any date thereafter with respect to the 2011B Outstanding Bonds

- (g) “Refunding Bond” or “Refunding Bonds” means all or a portion of the \$540,000,000 Refunding Serial Bonds of the County of Suffolk, authorized to be issued pursuant to Section 2 hereof.
- (h) “Refunding Bond Amount Limitation” means, with respect to each Respective Series of Refunding Bonds, an amount of Refunding Bonds which does not exceed the principal amount of Bonds To Be Refunded by such Respective Series of Refunding Bonds plus the aggregate amount of unmatured interest payable on such Bonds To Be Refunded, to and including the applicable Redemption Date, plus redemption premiums payable on such Bonds To Be Refunded as of such Redemption Date, if any, as hereinabove referred to in the Recitals hereof, plus costs and expenses incidental to the issuance of such Respective Series of Refunding Bonds, including the development of the refunding financial plan, compensation to the Underwriter (as hereinafter defined), costs and expenses of executing and performing the terms and conditions of the Escrow Contract and all fees and charges of the Escrow Holder as referred to in Section 10 hereof, financial advisory fees, printing fees and legal fees and the premium or premiums for a policy or policies of municipal bond insurance or other form of credit enhancement facility or facilities for such Respective Series of Refunding Bonds, or any portion thereof.
- (i) “Respective Series of Refunded Bonds” shall have the meaning given such term in Section 2 hereof.
- (j) “Underwriter” means, with respect to each Respective Series of Refunding Bonds sold at a private sale pursuant to Section 14 hereof, the underwriter or underwriters selected pursuant to such Section 14.

Section 2. The County Legislature of the County hereby authorizes the refunding of the Bonds To Be Refunded, and appropriates an amount not to exceed \$540,000,000 to accomplish such refunding. The plan of financing said appropriation includes the issuance of not to exceed \$540,000,000 Refunding Bonds and the levy and collection of a tax upon all the taxable real property within the County to pay the principal of and interest on said Refunding Bonds as the same shall become due and payable. Bonds of the County in the maximum principal amount of \$540,000,000 are hereby authorized to be issued pursuant to the provisions of the Law. The Refunding Bonds are hereby authorized to be consolidated for purposes of sale in one or more refunding bond issues which may be issued in series. The Refunding Bonds shall each be designated substantially “REFUNDING SERIAL BONDS”,

together with a series designation and year designation, as appropriate, and shall be dated the date of delivery thereof, or such other date as shall hereafter be determined by the County Comptroller pursuant to Section 8 hereof. The proposed financial plan for the refunding in the form attached hereto as **Exhibit A** (the "Refunding Financial Plan") prepared for the County by its financial advisor, Capital Markets Advisors, LLC, Great Neck, New York, and hereby accepted and approved, includes the deposit of all the proceeds of said Refunding Bonds with an Escrow Holder pursuant to an Escrow Contract as authorized in Section 10 hereof, the payment of all costs incurred by the County in connection with said refunding from such proceeds and the investment of a portion of such proceeds by the Escrow Holder in certain obligations. The principal of and interest on such investments, together with the balance of such proceeds to be held uninvested, if any, shall be sufficient to pay (i) the principal of and interest on the Bonds To Be Refunded becoming due and payable on and prior to each applicable Redemption Date and (ii) the principal of and premium and interest on the Bonds To Be Refunded which are to be called for redemption prior to maturity on any such Redemption Date. This County Legislature recognizes that the Refunding Bonds may be issued in series, and for only one or more of the Refunded Bonds, or portions thereof, that the amount of the Refunding Bonds, maturities, terms, and interest rate or rates borne by the Refunding Bonds to be issued by the County will most probably be different from the assumptions in the proposed Refunding Financial Plan attached hereto as **Exhibit A**. The County Comptroller is hereby authorized and directed to determine which of the Refunded Bonds will be refunded and at what time (each such series of Refunded Bonds, or portion thereof to be refunded, being hereinafter referred to as a "Respective Series of Refunded Bonds"), the amount of the Refunding Bonds to be issued, the date or dates of issue, maturities and terms thereof and to prepare, or cause to be prepared a final Refunding Financial Plan for each Respective Series of Refunding Bonds.

Section 3. The Bonds To Be Refunded referred to in Section 1 hereof are all or a portion of the unmatured aggregate outstanding balances of the 2008A Outstanding Refunding Bonds, 2008B Outstanding Refunding Bonds, 2008C Outstanding Refunding Bonds, 2009A Outstanding Bonds, 2009C Outstanding Bonds, 2010A Outstanding Bonds, 2010B Outstanding Bonds, 2011A Outstanding Bonds and 2011B Outstanding Bonds which were originally issued pursuant to the bond resolutions referenced in the Bond Certificates for each such series of bonds for the purpose of refinancing certain outstanding bonds of the County or providing original funding for the projects as set forth therein.

Section 4. The issuance of each Respective Series of Refunding Bonds will not exceed the applicable Refunding Bond Amount Limitation. With respect to each Respective Series of Refunding Bonds, either (i) the last installment of such Respective Series of Refunding Bonds allocated to each of the objects or purposes refinanced by the such Respective Series of Refunding Bonds will mature not later than the expiration of the applicable period of probable usefulness ("PPU") of such object or purpose financed or refinanced with the proceeds of the Bonds to be Refunded, commencing at the date of issuance of the first bond or bond anticipation note issued in anticipation of the sale of such bonds, or (ii) at the determination of the County Comptroller in accordance with the delegation of authority contained in Section 8 hereof, the last installment of such Respective Series of Refunding Bonds will mature not later than the expiration of the weighted average remaining period of probable usefulness of (A) the objects or purposes (or classes of objects or purposes) financed or refinanced with the proceeds of each Respective Series of Refunded Bonds to be refunded by such Respective Series of Refunding Bonds, or (B) the objects or purposes (or class of objects or purposes) financed or refinanced with the proceeds of all of the Bonds to be Refunded by such Respective Series of Refunding Bonds, in either case, commencing at the date of issuance of the first bond

or bond anticipation note issued in anticipation of the sale of such bonds. The maximum PPU permitted by law of each of the objects or purposes financed with the proceeds of the Bonds to be Refunded at the respective time of issuance of each series of the Bonds to be Refunded is set forth in the respective Bond Certificate for such series of the Bonds to be Refunded, or in the case of the objects or purposes financed with the proceeds of the 2008A Outstanding Refunding Bonds, 2008B Outstanding Refunding Bonds and 2008C Outstanding Refunding Bonds, in the respective Bond Certificate for each series of bonds which was refunded by the 2008A Refunding Bonds, 2008B Refunding Bonds and 2008C Refunding Bonds.

Section 5. The aggregate amount of estimated Present Value Savings is set forth in the proposed refunding financial plan attached hereto as **Exhibit A**, computed in accordance with subdivision two of paragraph b of Section 90.10 of the Law. Said refunding financial plan has been prepared based upon the assumption that the Refunding Bonds will be issued in the aggregate principal amount, and will mature, be of such terms and bear such interest as set forth therein. The County Legislature recognizes that the principal amount of each Respective Series of the Refunding Bonds, the maturities, terms and interest rates, the provisions, if any, for the redemption thereof prior to maturity, and whether or not any or all of each Respective Series of the Refunding Bonds will be insured, and the resulting present value savings, may vary from such assumptions and that the refunding financial plan for each Respective Series of the Refunding Bonds may vary from that attached hereto as **Exhibit A**.

Section 6. The Refunding Bonds shall be sold either (a) at a private sale and the County Comptroller or the Chief Deputy County Comptroller, the chief fiscal officer of the County, is hereby authorized to execute a purchase contract on behalf of the County for the sale of each Respective Series of said Refunding Bonds, provided that the terms and conditions of each such sale shall be approved by the State Comptroller, or (b) at a public sale conducted by the County Comptroller or the Chief Deputy County Comptroller in accordance with Sections 57.00, 58.00 and 59.00 of the Law, and further providing that prior to the issuance of each Respective Series of the Refunding Bonds the Comptroller shall have filed with the County Legislature a certificate approved by the State Comptroller setting forth the Present Value Savings to the County resulting from the issuance of such Respective Series of the Refunding Bonds. In connection with each such sale, the County authorizes the preparation of an Official Statement and approves its use in connection with such sale, and further consents to the distribution of a Preliminary Official Statement prior to the date said Official Statement is distributed. The Comptroller is hereby further authorized and directed to take any and all actions necessary to accomplish said refunding, and to execute any contracts and agreements for the purchase of and payment for services rendered or to be rendered to the County in connection with said refunding, including the preparation of the refunding financial plan for each Respective Series of Refunding Bonds referred to in Section 2 hereof.

Section 7. Each of the Refunding Bonds authorized by this resolution shall contain the recital of validity prescribed by Section 52.00 of the Law and said Refunding Bonds shall be general obligations of the County, payable as to both principal and interest by a general tax upon all the taxable real property within the County. The faith and credit of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on said Refunding Bonds and provision shall be made annually in the budget of the County for (a) the amortization and redemption of the Refunding Bonds to mature in such year and (b) the payment of interest to be due and payable in such year.

Section 8. Subject to the provisions of this resolution and of the Law and pursuant to the provisions of Resolution No. 320 of 1966, as amended by Resolution No. 81 of 1972, and Section 21.00 of the Law relative to the authorization of the issuance of bonds with substantially level or declining annual debt service, Sections 50.00, 56.00 to 60.00, 90.10 and 168.00 of the Law, the powers and duties of the County Legislature relative to determining the amount of Bonds To Be Refunded, prescribing the terms, form and contents and as to the sale and issuance of each Respective Series of the Refunding Bonds, determining the weighted average remaining period of probable usefulness of each Respective Series of Refunded Bonds to be refunded by each Respective Series of the Refunding Bonds, or alternatively of all of the Bonds to be Refunded by each Respective Series of Refunding Bonds, and executing any arbitrage certification relative thereto, and as to executing the Escrow Contracts described herein, the Official Statements referred to in herein and any contracts for credit enhancement in connection with the issuance of each Respective Series of the Refunding Bonds and any other certificates and agreements, and as to making elections to call in and redeem all or a portion of the Bonds to be Refunded, are hereby delegated to the County Comptroller and the Chief Deputy County Comptroller, the Chief Fiscal Officer of the County.

Section 9. The validity of the Refunding Bonds authorized by this resolution may be contested only if:

- (a) such obligations are authorized for an object or purpose for which the County is not authorized to expend money, or
- (b) the provisions of law which should be complied with at the date of the publication of such resolution, or a summary thereof, are not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or

- (c) such obligations are authorized in violation of the provisions of the constitution.

Section 10. Prior to the issuance of each Respective Series of the Refunding Bonds, the County shall contract with a bank or trust company located and authorized to do business in New York State, for the purpose of having such bank or trust company act as the Escrow Holder of the proceeds, inclusive of any premium from the sale of such Respective Series of the Refunding Bonds, together with all income derived from the investment of such proceeds. Such Escrow Contract shall contain such terms and conditions as shall be necessary in order to accomplish the refunding financial plan, including provisions authorizing the Escrow Holder, without further authorization or direction from the County, except as otherwise provided therein, (a) to make all required payments of principal, interest and redemption premiums to the appropriate paying agent with respect to the Bonds To Be Refunded by such Respective Series of Refunding Bonds, (b) to pay costs and expenses incidental to the issuance of such Respective Series of the Refunding Bonds, including the development of the refunding financial plan for such series, and costs and expenses relating to the execution and performance of the terms and conditions of the Escrow Contract and all of its fees and charges as the Escrow Holder, (c) at the appropriate time or times to cause to be given on behalf of the County the notice of redemption authorized to be given pursuant to Section 13 hereof, and (d) to invest the monies held by it consistent with the provisions of the refunding financial plan. The Escrow

Contract shall be irrevocable and shall constitute a covenant with the holders of such Respective Series of Refunding Bonds.

Section 11. The proceeds, inclusive of any premium, from the sale of each Respective Series of the Refunding Bonds, immediately upon receipt shall be placed in escrow by the County with the Escrow Holder in accordance with the Escrow Contract. All moneys held by the Escrow Holder, if invested, shall be invested only in direct obligations of the United States of America or in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which obligations shall mature or be subject to redemption at the option of the holder thereof not later than the respective dates when such moneys will be required to make payments in accordance with the refunding financial plan. Any such moneys remaining in the custody of the Escrow Holder after the full execution of the Escrow Contract shall be returned to the County and shall be applied by the County only to the payment of the principal of or interest on the Respective Series of Refunding Bonds then outstanding.

Section 12. That portion of such proceeds from the sale of each Respective Series of the Refunding Bonds, together with interest earned thereon, which shall be required for the payment of the principal of and interest on the Bonds To Be Refunded, including any redemption premiums, in accordance with the refunding financial plan, shall be irrevocably committed and pledged to such purpose and the holders of the Bonds To Be Refunded by such Respective Series of Refunding Bonds shall have a lien upon such moneys and the investments thereof held by the Escrow Holder. All interest earned from the investment of such moneys which is not required for such payment of principal of and interest on the Bonds To Be Refunded by such Respective Series of Refunding Bonds shall be irrevocably committed and pledged to the payment of the principal of and interest on such Respective Series of Refunding Bonds, or such portion or series thereof as shall be required by the refunding financial plan, and the holders of such Refunding Bonds shall have a lien upon such moneys held by the Escrow Holder. The pledges and liens provided for herein shall become valid and binding upon the issuance of such Respective Series of Refunding Bonds and the moneys and investments held by the Escrow Holder shall immediately be subject thereto without any further act. Such pledges and liens shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the County irrespective of whether such parties have notice thereof. Neither this resolution, the Escrow Contract, nor any other instrument relating to such pledges and liens, need be filed or recorded.

Section 13. In accordance with the provisions of Section 53.00 and of paragraph h of Section 90.10 of the Law, the County Legislature hereby elects to call in and redeem all or a portion of the Bonds To Be Refunded which are subject to prior redemption according to their terms on the applicable Redemption Date, as shall be determined by the Comptroller in accordance with Section 8 hereof. The sum to be paid therefor on the applicable Redemption Date shall be the par value thereof, the accrued interest to such Redemption Date and the redemption premiums, if any. The Escrow Holder is hereby authorized and directed to cause a notice of such call for redemption to be given in the name of the County by mailing such notice at least thirty days prior to such Redemption Date, and in accordance with the terms appearing in the Bonds to be Refunded, to the registered holders of the Bonds To Be Refunded which are to be called in and redeemed. Upon the issuance of each Respective Series of Refunding Bonds, the election to call in and redeem the Bonds To Be Refunded by such Respective Series of Refunding Bonds which are to be called in and redeemed in accordance herewith and the direction to the Escrow Holder to cause notice thereof to be given as provided

in this Section shall become irrevocable and the provisions of this Section shall constitute a covenant with the holders, from time to time, of such Respective Series of Refunding Bonds, provided that this Section may be amended from time to time as may be necessary to comply with the publication requirements of paragraph a of Section 53.00 of the Law, as the same may be amended from time to time.

Section 14. Each Respective Series of Refunding Bonds shall be sold at either (a) a private sale to such underwriter or underwriters to be selected through the County procurement process (collectively, the "Underwriter"), for purchase prices to be determined by the County Comptroller or Chief Deputy County Comptroller, plus accrued interest from the date or dates of such Respective Series of Refunding Bonds to the date or dates of the delivery of and payment for such Respective Series of the Refunding Bonds, or (b) at a public sale conducted by the County Comptroller or Chief Deputy County Comptroller in accordance with Sections 57.00, 58.00 and 59.00 of the Law; provided, however, that each Respective Series of Refunding Bonds shall only be issued and sold in the event that (i) such sale results in net present value savings, as shown upon the final Refunding Financial Plan for such series, in the case of each such sale of Refunding Bonds and in the aggregate for all of the Refunding Bonds sold on any date with regard to the outstanding par amount of the Refunded Bonds; (ii) the term of such Respective Series of Refunding Bonds does not extend beyond the last maturity date of the Refunded Bonds refunded by such Respective Series of Refunding Bonds; and (iii) the net present value savings of each Respective Series of the Refunding Bonds shall exceed the costs of issuance for such Respective Series of the Refunding Bonds by two and one half times (2 1/2). In the event that a Respective Series of Bonds are sold in a private sale, the County Comptroller or the Chief Deputy County Comptroller is hereby authorized to execute and deliver a purchase contract for such Respective Series of the Refunding Bonds in the name and on behalf of the County providing the terms and conditions for the sale and delivery of such Respective Series of the Refunding Bonds to the Underwriter; provided, however, that the County's obligation under such purchase contract to sell and deliver such Respective Series of Refunding Bonds to the Underwriter shall be subject to the approval of the terms and conditions of such private sale by the State Comptroller as required by subdivision 2 of paragraph f, of Section 90.10 of the Law. After the Respective Series of Refunding Bonds have been duly executed, they shall be delivered by the County Comptroller or Chief Deputy County Comptroller (a) in the case of a private sale, to the Underwriter in accordance with said purchase contract upon the receipt by the County of said purchase price, including accrued interest, or (b) in the case of a public sale, to the purchaser or purchasers thereof, in accordance with the terms of the respective certificate of determination of the County Comptroller or Chief Deputy County Comptroller, upon the receipt by the County of said purchase price, including accrued interest.

Section 15. This bond resolution shall take effect immediately upon approval by the County Executive, and the Clerk of the Legislature is hereby authorized and directed to publish the foregoing resolution, in summary or in full, together with a Notice attached in substantially the form prescribed by Section 81.00 of the Law in the official newspaper(s) of the County.

DATED: June 21, 2016

APPROVED BY:

/s/ Steven Bellone
County Executive of Suffolk County

Date: July 1, 2016

Exhibit A
[Refunding Financial Plan]

The adoption of the foregoing resolution was seconded by Legislator _____ and duly put to a vote on roll call, which resulted as follows:

AYES:

NOES:

The resolution was declared adopted.

CERTIFICATE

I, Jason Richberg, Clerk of the Suffolk County Legislature, in the State of New York, HEREBY CERTIFY that Refunding Bond Resolution No. _____ - 2016 contained in the foregoing annexed extract from the minutes of a meeting of the County Legislature of the County of Suffolk duly called and held on _____, 2016, has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said County Legislature and is a true, complete and correct copy thereof and of the whole of said original Refunding Bond Resolution, which was duly adopted by the County Legislature on _____, 2016 and approved by the County Executive on _____, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said County Legislature this _____ day of _____, 2016.

(SEAL)

Jason Richberg
Clerk of the Legislature

LEGAL NOTICE

The resolution, a summary of which is published herewith, has been adopted on _____, 2016 and the validity of the obligations authorized by such resolution may be hereafter contested only if such obligations were authorized for an object or purpose for which the County of Suffolk, New York, is not authorized to expend money or if the provisions of law which should have been complied with as of the date of publication of this Notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the publication of this Notice, or such obligations were authorized in violation of the provisions of the constitution.

BY ORDER OF THE COUNTY LEGISLATURE
OF THE COUNTY OF SUFFOLK

DATED: _____, 2016
Smithtown, New York

Jason Richberg
Clerk of the Legislature

The resolution is entitled:

REFUNDING BOND RESOLUTION NO. ____ -2016

REFUNDING BOND RESOLUTION OF THE COUNTY OF SUFFOLK, NEW YORK, ADOPTED _____, 2016, AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING SERIAL BONDS OF SAID COUNTY, STATING THE PLAN OF REFUNDING, APPROPRIATING AN AMOUNT NOT TO EXCEED \$540,000,000 FOR SUCH PURPOSE, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$540,000,000 REFUNDING BONDS TO FINANCE SAID APPROPRIATION, AND MAKING CERTAIN OTHER DETERMINATIONS RELATIVE THERETO

The resolution authorizes the issuance by the County of Suffolk, New York (the "County") of refunding serial bonds in one or more series in an aggregate principal amount not to exceed \$540,000,000, pursuant to Section 90.10 of the Local Finance Law, for the purpose of advance refunding all or a portion of the outstanding principal amount of the following series of serial bonds of the County (the "Bonds to be Refunded"): (i) \$17,625,000 Refunding Serial Bonds-2008 Series A, issued on August 7, 2008, of which there is a current outstanding principal amount of \$1,326,396 that has not been previously economically defeased by the County (the "2008A Refunding Bonds"); (ii) \$3,855,000 Refunding Serial Bonds-2008 Series B, issued on August 7, 2008, of which there is a current outstanding principal amount of \$3,780,000 (the "2008B Refunding Bonds"); (iii) \$13,080,000 Refunding Serial Bonds-2008 Series C, issued on August 7, 2008, of which there is a current outstanding principal amount of \$3,774,054 that has not been previously economically defeased by the County (the "2008C Refunding Bonds"); (iv) \$78,265,000 Public Improvement Serial Bonds-2009 Series A, issued on May 21, 2009, of which there is a current outstanding principal amount of \$54,160,984 that has not been previously economically defeased by the County (the "2009 Series A Bonds"); (v) \$158,205,000 Public Improvement Serial Bonds-2009 Series C, issued on October 29, 2009, of which there is a current outstanding principal amount of \$116,075,000 (the "2009 Series C Bonds"); (vi) \$96,205,000 Public Improvement Serial Bonds-2010 Series A, issued on May 27, 2010, of which there is a current outstanding principal amount of \$70,210,000 (the "2010 Series A

Bonds”); (vii) \$111,505,000 Public Improvement Serial Bonds-2010 Series B, issued on October 28, 2010, of which there is a current outstanding principal amount of \$86,405,000 (the “2010 Series B Bonds”), (viii) \$100,110,000 Public Improvement Serial Bonds-2011 Series A, issued on May 26, 2011, of which there is a current outstanding principal amount of \$77,315,000 (the “2011 Series A Bonds”) and (ix) \$76,075,000 Public Improvement Serial Bonds-2011 Series B, issued on October 27, 2011, of which there is a current outstanding principal amount of \$58,837,914 that has not been previously economically defeased by the County (the “2011 Series B Bonds”).

The maximum Period of Probable Usefulness (“PPU”) permitted by law of each of the objects or purposes financed with the proceeds of the Bonds to be Refunded at the respective time of issuance of each series of the Bonds to be Refunded is set forth in the respective bond certificate or certificate of determination, as applicable, of the County Comptroller or the Chief Deputy County Comptroller, providing for the issuance of such series of the Bonds to be Refunded, or in the case of the 2008A Refunding Bonds, 2008B Refunding Bonds and 2008C Refunding Bonds, of the series of bonds that was refunded by the 2008A Refunding Bonds 2008B Refunding Bonds and 2008C Refunding Bonds, copies of which bond certificates and certificates of determination are on file at the office of the Clerk of the County Legislature.

A complete copy of the Bond Resolution summarized above shall be available for public inspection during normal business hours at the office of the Clerk of the County Legislature, W.H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York.