

A meeting of the Town Board of the Town of Davenport, Delaware County, New York was convened in public session at the Town Hall located in Davenport Center, New York on January 21, 2006 at 9:00 o'clock a.m., local time.

The meeting was called to order by the Town Supervisor and, upon roll being called, the following members of the Town Board were:

PRESENT:

Dennis Valente	Town Supervisor
Lynda Peet	Board Member
Norman Schubert	Board Member
David Carrington	Board Member
Thomas Howard	Board Member

ABSENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Margaret Bonney	Town Clerk
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The following resolution was offered by David Carrington, seconded by Lynda Peet to wit;

BOND RESOLUTION DATED JANUARY 21, 2006

A RESOLUTION AUTHORIZING THE CONSTRUCTION OF A NEW WATER SUPPLY AND DISTRIBUTION SYSTEM TO SERVE DAVENPORT WATER DISTRICT NO. 1, AUTHORIZING THE ISSUANCE OF SERIAL BONDS OF THE TOWN OF DAVENPORT, DELAWARE COUNTY, NEW YORK, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$823,000 PURSUANT TO THE LOCAL FINANCE LAW TO FINANCE SAID PURPOSE AND DELEGATING THE POWER TO ISSUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE SALE OF SUCH SERIAL BONDS TO THE TOWN SUPERVISOR

BE IT RESOLVED, by the Town Board of the Town of Davenport, Delaware County, New York (the "Town") (by the favorable vote of not less than two-thirds of all the members of the Town Board) as follows:

SECTION 1. The specific purpose (hereinafter referred to as the "Project") to be financed pursuant to this resolution is the construction of a new water supply and distribution system for Davenport Water District No. 1 (the "Water District"), including a new water supply well, water storage tank, pump stations and transmission mains, necessary site work and the acquisition and installation of equipment, machinery and apparatus for the foregoing purpose. The estimated maximum cost of the Project, including

preliminary costs and costs incidental thereto and the financing thereof, will not exceed \$823,000 and said amount is hereby appropriated therefor.

SECTION 2. The Town Board plans to finance the Town's maximum estimated cost of the Project by the issuance of serial bonds in an amount not to exceed \$823,000 of said Town, hereby authorized to be issued therefor pursuant to the Local Finance Law and the cost of such improvement is to be paid by assessments upon benefited real property in a area less than the area of said Town. The Town Board expects to receive grant funds to finance a portion of the cost of the Project.

SECTION 3. It is hereby determined that the Project is an object or purpose described in subdivision 1 of paragraph (a) of Section 11.00 of the Local Finance Law, and that the period of probable usefulness of said purpose is forty (40) years.

SECTION 4. Current funds are not required to be provided prior to the issuance of the bonds authorized by this resolution or any notes issued in anticipation of the sale of said bonds.

SECTION 5. It is hereby determined that the proposed maturity of the obligations authorized by this resolution will be in excess of five (5) years.

SECTION 6. The faith and credit of said Town are hereby irrevocably pledged for the payment of the principal of and interest on such bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such bonds becoming due and payable in such year. Should the assessments on benefited real property be insufficient to pay the principal of and interest on such bonds after deducting any grant funds received, there shall annually be levied on all the taxable real property of said Town a tax sufficient to pay the principal of and interest on such bonds as the same become due and payable.

SECTION 7. Subject to the terms and contents of this resolution and the Local Finance Law, and pursuant to the provisions of Sections 30.00, 50.00 and 56.00 to 63.00, inclusive, of said Law, the power to authorize bond anticipation notes in anticipation of the issuance of the bonds authorized by this resolution and the renewals of said notes and the power to prescribe the terms, form and contents of said bonds, and said bond anticipation notes, and the power to sell and deliver said bonds and any bond anticipation notes issued in anticipation of the issuance of such bonds, is hereby delegated to the Town Supervisor, the Chief Fiscal Officer of the Town. The Town Supervisor is hereby authorized to sign any bonds issued pursuant to this resolution and any bond anticipation notes issued in anticipation of the issuance of said bonds, and the Town Clerk is hereby authorized to affix the corporate seal of said Town to any of said bonds or any bond anticipation notes and to attest such seal.

SECTION 8. The expected source of funds to be used initially to pay for up to \$823,000 of the expenditures authorized by Section 1 of this resolution shall be from the Town's General Fund. The Town then reasonably expects to reimburse such expenditures with the proceeds of the bonds or bond anticipation notes authorized by Section 2 of this resolution. This resolution shall constitute the declaration of the Town's "official intent" to reimburse the expenditures authorized by Section 1 hereof with the proceeds of the bonds and notes authorized herein, as required by United States Treasury Regulation Section 1.150-2.

SECTION 9. The Town Supervisor is further authorized to take such actions and execute such documents as may be necessary to ensure the continued status of the interest on the bonds authorized by this resolution, and any notes issued in anticipation thereof, as excludable from gross income for federal

income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and to designate the bonds authorized by this resolution, and any notes issued in anticipation thereof, as "qualified tax-exempt bonds" in accordance with Section 265(b)(3)(B)(i) of the Code.

SECTION 10. The Town has issued a negative declaration determining that construction of a new water supply and distribution system for the Water District will not have a significant effect on the environment and, therefore, no other determination or procedures under the State Environmental Quality Review Act ("SEQR") are required

SECTION 11. The validity of said serial bonds or of any bond anticipation notes issued in anticipation of the sale of said serial bonds may be contested only if:

(1) (a) Such obligations are authorized for an object or purpose for which said Town is not authorized to expend money, or

(b) The provisions of law which should be complied with at the date of publication of this resolution 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

(2) Said obligations are authorized in violation of the provisions of the Constitution of New York.

SECTION 12. The Town Clerk is hereby authorized and directed to publish this resolution, or a summary thereof, together with a notice in substantially the form provided by Section 81.00 of said Local Finance Law, in *The Daily Star*, a newspaper having a general circulation in said Town and hereby designated as the official newspaper of said Town for such publication.

SECTION 13. This resolution shall take effect immediately upon its adoption.

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

Dennis Valente	VOTING <u>AYE</u>
Lynda Peet	VOTING <u>AYE</u>
Norman Schubert	VOTING <u>NO</u>
David Carrington	VOTING <u>AYE</u>
Thomas Howard	VOTING <u>AYE</u>

The foregoing resolution was thereupon declared duly adopted.

CERTIFICATE OF RECORDING OFFICER

The undersigned hereby certifies that:

(1) She is the duly qualified and acting Clerk of the Town of Davenport, New York (hereinafter called the "Town") and the custodian of the records of the Town, including the minutes of the proceedings of the Town Board; and is duly authorized to execute this certificate.

(2) Attached hereto is a true and correct copy of a resolution duly adopted at a meeting of the Town Board held on the 21st day of January, 2006 and entitled:

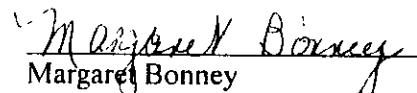
A RESOLUTION AUTHORIZING THE CONSTRUCTION OF A NEW WATER SUPPLY AND DISTRIBUTION SYSTEM TO SERVE DAVENPORT WATER DISTRICT NO. 1, AUTHORIZING THE ISSUANCE OF SERIAL BONDS OF THE TOWN OF DAVENPORT, DELAWARE COUNTY, NEW YORK, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$823,000 PURSUANT TO THE LOCAL FINANCE LAW TO FINANCE SAID PURPOSE AND DELEGATING THE POWER TO ISSUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE SALE OF SUCH SERIAL BONDS TO THE TOWN SUPERVISOR.

(3) Said meeting was duly convened and held and said resolution was duly adopted in all respects in accordance with law and the regulations of the Town. To the extent required by law or said regulations, due and proper notice of said meeting was given. A legal quorum of members of the Town Board was present throughout said meeting, and a legally sufficient number of members (2/3 of the Town Board) voted in the proper manner for the adoption of the resolution. All other requirements and proceedings under law, said regulations, or otherwise, incident to said meeting and the adoption of the resolution, including any publication, if required by law, have been duly fulfilled, carried out and otherwise observed.

(4) The seal appearing below constitutes the official seal of the Town and was duly affixed by the undersigned at the time this certificate was signed.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 21 day of January, 2006.

(SEAL)

  
Margaret Bonney  
Town Clerk

## NOTICE OF BOND RESOLUTION

NOTICE IS HEREBY GIVEN that the resolution, or summary of such resolution, published herewith has been adopted for the Town Board of the Town of Davenport, Delaware County, New York, on the 21st of January, 2006 and the validity of the obligations authorized by such resolution may be hereafter contested only if:

(1) (a) such obligations were authorized for an object or purpose for which the Town of Davenport is not authorized to expend money or

(b) 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 date of publication of this notice; or

(2) such obligations were authorized in violation of the provisions of the Constitution of New York.

## SUMMARY OF RESOLUTION

The following is a summary of a resolution adopted by the Town Board of the Town of Davenport on January 21, 2006. Said resolution authorizes the issuance and sale of a bond or bonds and a bond anticipation note or notes in anticipation of the issuance and sale of said bonds, in an amount not to exceed \$823,000. The proceeds from the sale of the obligations authorized in said resolution shall be used for the specific purpose of financing the construction of a new water supply and distribution system for Davenport Water District No. 1 (the "Project"). The Town Board expects to receive grant funds to finance a portion of the cost of the Project. The period of probable usefulness for said purpose is forty (40) years. A copy of the resolution summarized herein is available for public inspection during normal business hours at the Office of the Town Clerk, located in the Town of Davenport, New York.