

On motion of TRUSTEE _____, seconded by TRUSTEE _____, the following resolution was adopted by the Board of Trustees of the Village of Croton-on-Hudson, New York:

BOND RESOLUTION, DATED JANUARY 17, 2012, AUTHORIZING THE ISSUANCE OF UP TO \$707,370 AGGREGATE PRINCIPAL AMOUNT SERIAL BONDS OF THE VILLAGE OF CROTON-ON-HUDSON, NEW YORK, PURSUANT TO THE LOCAL FINANCE LAW, TO FINANCE THE COSTS OF (I) THE CONSTRUCTION, RECONSTRUCTION AND ACQUISITION OF IMPROVEMENTS TO VILLAGE STREETS, (II) THE ACQUISITION OF MACHINERY AND APPARATUS FOR CONSTRUCTION AND MAINTENANCE AND (III) THE IMPROVEMENTS TO PLAYGROUND, PARKS AND RECREATIONAL AREAS, IN AND FOR THE VILLAGE.

WHEREAS, the Board of Trustees of the Village of Croton-on-Hudson (the “Village”), located in Westchester County, in the State of New York (the “State”), hereby determines that it is in the public interest of the Village to authorize the financing of the costs of (i) the construction, reconstruction and acquisition of improvements to Village streets (\$581,400), (ii) the acquisition of machinery and apparatus for construction and maintenance (\$109,140) and (iii) the improvements to playground, parks and recreational areas (\$16,830), and other preliminary and incidental costs, in and for the Village, at a total cost not to exceed \$707,370, in accordance with the Local Finance Law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Village of Croton-on-Hudson, as follows:

Section 1. There is hereby authorized to be issued serial bonds of the Village in the aggregate principal amount of up to \$707,370, pursuant to the Local Finance Law, in order to finance costs of the specific objects or purposes hereinafter described.

Section 2. The specific objects or purposes or class of objects or purposes to be financed pursuant to this bond resolution (collectively, the “Project”), the respective estimated

maximum cost of each item of such specific objects or purposes or class of objects or purposes, the principal amount of serial bonds authorized herein for such specific objects or purposes or class of objects or purposes, and the period of probable usefulness of such specific objects or purposes or class of objects or purposes thereof pursuant to the applicable subdivision of paragraph a of Section 11.00 of the Local Finance law, are as follows:

(a) The construction, reconstruction and acquisition of improvements to Village streets, together with applicable incidental and preliminary costs in connection therewith, at an estimated maximum cost of \$581,400 for which \$581,400 principal amount of serial bonds are authorized herein and appropriated therefore, having a period of probable usefulness of fifteen (15) years pursuant to subdivision 20(c) of paragraph a of Section 11.00 of the Local Finance Law. Such serial bonds shall have a maximum maturity of fifteen (15) years computed from the earlier of (a) the date of the first issue of such serial bonds or (b) by the date of the first bond anticipation notes issued in anticipation of the issuance of such serial bonds.

(b) The acquisition of machinery and apparatus for construction and maintenance for the Village, together with applicable incidental and preliminary costs in connection therewith, at an estimated maximum cost of \$109,140 for which \$109,140 principal amount of serial bonds are authorized herein and appropriated therefore, having a period of probable usefulness of fifteen (15) years pursuant to subdivision 28 of paragraph a of Section 11.00 of the Local Finance Law. Such serial bonds shall have a maximum maturity of fifteen (15) years computed from the earlier of (a) the date of the first issue of such serial bonds or (b) by the date of the first bond anticipation notes issued in anticipation of the issuance of such serial bonds.

(c) The improvements to playground, parks and recreational areas, together with applicable incidental and preliminary costs in connection therewith, at an estimated maximum cost

of \$16,830 for which \$16,830 principal amount of serial bonds are authorized herein and appropriated therefore, having a period of probable usefulness of fifteen (15) years pursuant to subdivision 19(c) of paragraph a of Section 11.00 of the Local Finance Law. Such serial bonds shall have a maximum maturity of fifteen (15) years computed from the earlier of (a) the date of the first issue of such serial bonds or (b) by the date of the first bond anticipation notes issued in anticipation of the issuance of such serial bonds.

Section 3. The Board of Trustees of the Village has ascertained and hereby states that (a) the estimated maximum cost of the classes of objects or purposes or specific objects or purposes listed in Section 2 above is \$707,370; (b) no money has heretofore been authorized to be applied to the payment of the costs of the Project; (c) the Board of Trustees of the Village plans to finance the costs of the Project from the proceeds of the serial bonds or bond anticipation notes authorized herein; and (d) the maturity of the obligations authorized herein will be in excess of five (5) years.

Section 4. Subject to the terms and conditions of this Resolution and the Local Finance Law, and pursuant to the provisions of Sections 21.00, 30.00, 50.00, 56.00 and 60.00, inclusive, of the Local Finance Law, the power to authorize bond anticipation notes in anticipation of the issuance of the serial bonds authorized by this Resolution and the renewal of such bond anticipation notes and the power to prescribe the terms, form and contents of such serial bonds and such bond anticipation notes authorized by this Resolution, and the power to issue, sell and deliver such serial bonds and bond anticipation notes are hereby delegated to the Village Treasurer, as the chief fiscal officer of the Village. The Village Treasurer is hereby authorized to execute on behalf of the Village all serial bonds issued pursuant to this Resolution and all bond anticipation notes issued in anticipation of the issuance of such serial bonds, and the Clerk of the Village is hereby authorized to

affix the seal of the Village to all such serial bonds and all such bond anticipation notes and to attest such seal. Each interest coupon, if any, representing interest payable on such serial bonds shall be authenticated by the facsimile signature of the Village Treasurer.

Section 5. The faith and credit of the Village is hereby and shall be irrevocably pledged for the punctual payment of the principal of and interest on all obligations authorized and issued pursuant to this Resolution as the same shall become due.

Section 6. When this Resolution takes effect, the Clerk of the Village shall cause the same or a summary of the same to be published together with a notice in substantially the form prescribed by Section 81.00 of the Local Finance Law in The Gazette, a newspaper having a general circulation in the Village. The validity of the serial bonds authorized by this Resolution and of bond anticipation notes issued in anticipation of the sale of such serial bonds may be contested only if such obligations are authorized for an object or purpose for which the Village is not authorized to expend money, or the provisions of law which should be complied with as of the date of the publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty (20) days after the date of such publication, or if such obligations are authorized in violation of the provisions of the Constitution of the State.

Section 7. Prior to the issuance of obligations authorized to be issued by this bond resolution, the Board of Trustees of the Village shall comply with all applicable provisions prescribed in Article 8 of the Environmental Conservation Law, all regulations promulgated thereunder by the New York State Department of Environmental Conservation, and all applicable Federal laws and regulations in connection with environmental quality review relating to the Project (collectively, the “environmental compliance proceedings”). In the event that any of the environmental compliance proceedings are not completed, or require amendment or modification

subsequent to the date of adoption of this bond resolution, the Board of Trustees of the Village will re-adopt, amend or modify this bond resolution prior to the issuance of obligations authorized to be issued herein upon the advice of bond counsel. It is hereby determined by the Board of Trustees of the Village that the Project will not have a significant effect on the environment.

Section 8. For the benefit of the holders and beneficial owners from time to time of the bonds and bond anticipation notes authorized pursuant to this resolution (the “obligations”), the Village agrees, in accordance with and as an obligated person with respect to the obligations, under Rule 15c2-12 promulgated by the Securities Exchange Commission pursuant to the Securities Exchange Act of 1934 (the “Rule”), to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of the Rule. In order to describe and specify certain terms of the Village’s continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Village Treasurer is authorized and directed to sign and deliver, in the name and on behalf of the Village, the commitment authorized by subsection 6(c) of the Rule (the “Commitment”) to be placed on file with the Village Clerk, which shall constitute the continuing disclosure agreement made by the Village for the benefit of holders and beneficial owners of the obligations in accordance with the Rule, with any changes or amendments that are not inconsistent with this resolution and not substantially adverse to the Village and that are approved by the Village Treasurer on behalf of the Village, all of which shall be conclusively evidenced by the signing of the Commitment or amendments thereto. The agreement formed, collectively, by this paragraph and the Commitment, shall be the Village’s continuing disclosure agreement for purposes of the Rule, and its performance shall be subject to the availability of funds and their annual appropriation to meet costs the Village would be required to

incur to perform thereunder. The Village Treasurer is further authorized and directed to establish procedures in order to ensure compliance by the Village with its continuing disclosure agreement, including the timely provision of information and notices. Prior to making any filing in accordance with the agreement or providing notice of the occurrence of any material event, the Village Treasurer shall consult with, as appropriate, the Village Attorney and bond counsel or other qualified independent special counsel to the Village. The Village Treasurer acting in the name and on behalf of the Village, shall be entitled to rely upon any legal advice provided by the Village Attorney or such bond counsel or other special counsel in determining whether a filing should be made.

Section 9. The Village hereby declares its intention to issue the obligations authorized herein to finance costs of the Project. The Village covenants for the benefit of the holders of the obligations authorized herein that it will not make any use of the proceeds of such obligations, any funds reasonably expected to be used to pay the principal of or interest on such obligations or any other funds of the Village, and will not make any use of any of the equipment financed with the proceeds of such obligations which would cause the interest on such obligations to become subject to Federal income taxation under the Internal Revenue Code of 1986, as amended (the "Code"), (except for the alternative minimum tax imposed on corporations by section 55 of the Code) or subject the Village to any penalties under section 148 of the Code, and that it will not take any action or omit to take any action with respect to such obligations, the proceeds thereof or any of the vehicles financed thereby if such action or omission would cause the interest on such obligations to become subject to Federal income taxation under the Code (except for the alternative minimum tax imposed on corporations by section 55 of the Code) or subject the Village to any penalties under section 148 of the Code. The foregoing covenants shall remain in full force and effect

notwithstanding the defeasance of the bonds or any other provisions hereof until the date which is sixty (60) days after the final maturity date or earlier prior redemption date thereof. The proceeds of any obligations authorized herein may be applied to reimburse expenditures or commitments of the Village made for such purposes on or after a date which is not more than sixty (60) days prior to the date of adoption of this Resolution by the Village.

Section 10. This Resolution is subject to a permissive referendum and will take effect upon the expiration of the period prescribed in the Village Law during which petitions for a permissive referendum may be submitted and filed with the Village Clerk.

Dated: January 17, 2012