

Authorizing Officers And Employees Of The County To Execute And Deliver Such Certificates, Representations And Covenants As Are Necessary Or Convenient To Facilitate The Issuance By The Ulster Tobacco Asset Securitization Corporation Of Additional Obligations, And Determining To Expend Proceeds Of Said Obligations Received By The County So As To Assist In The Qualification Of Interest On Said Obligations As Excludable From Gross Income

The Ways and Means Committee (Chairman Cummings and Legislators Busick, Noonan, Stock, Tipp, Dart, Feldmann, Lomita and R.A. Parete) offers the following:

WHEREAS, it appears in the best interest of the County of Ulster to facilitate the issuance of obligations of the Ulster Tobacco Asset Securitization Corporation (“UTASC”) so as to produce revenues for the County under the terms of the existing Purchase and Sale Agreement between the County and UTASC dated as of February 1, 2001, and

WHEREAS, in order to qualify interest on said obligations as excludable from gross income under federal tax law it will be necessary for the County to expend proceeds of said obligations in accordance with the requirements of the Internal Revenue Code of 1986, as amended, and the relevant Treasury Regulations thereunder (collectively, the “Code”), and

WHEREAS, the qualification of such interest as excludable will benefit the County by increasing the amount of proceeds to be received by the County, and

WHEREAS, the County desires to authorize the officers and employees of the County, including the County Administrator, the Chairman of the Ulster County Legislature, the County Treasurer and the County Attorney, to cooperate with UTASC in the issuance of such obligations, and

WHEREAS, the County wishes to establish its intent to expend said proceeds in accordance with the requirements of the Code.

RESOLVED, by the Legislature of the County of Ulster as follows:

Section 1. The issuance of additional obligations by UTASC is hereby approved by the County.

Resolution No. 296 October 6, 2005

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Section 1A. The proceeds of the obligations shall be expended in accordance with the Internal Revenue Code in the following manner:

- \$3,692,000 additional principal and interest payment in 2006,
- The balance of the proceeds, expected to be \$11,308,000, toward funding existing Capital Projects;

provided that if the total proceeds are reasonably expected to be less than \$10,000,000, obligations shall not be issued.]

Section 2. The officers and employees of the County, including the County Administrator, the Chairman of the County Legislature, the County Treasurer and the County Attorney, are hereby authorized to execute and deliver such certificates, representations and covenants as they shall deem necessary or convenient to facilitate the issuance of obligations by UTASC and the receipt of a portion of the proceeds thereof by the County.

Section 3. The County hereby determines to hold, invest and expend such proceeds received by the County in compliance with the restrictions of the Code so as to assist in the qualification of the interest on said obligations as excludable from gross income under the Code.

Section 4. This resolution shall take effect immediately,
and moves its adoption.

ADOPTED AS AMENDED BY THE FOLLOWING VOTE:

AYES: 25

NOES: 6

(Legislators Bartels, R.S. Parete, Roberti, Shapiro, Stoeckeler, and Zimet)

(Absent: Legislators Hyatt and Feldmann)

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Legislator Cummings offered an amendment (shown in []) which was seconded by Legislator R.A. Parete.

AMENDMENT ADOPTED BY THE FOLLOWING VOTE:

AYES: 28

NOES: 3

(Legislators: Bartels, Shapiro, and R.S. Parete)

(Absent: Legislators Hyatt and Feldmann)

FINANCIAL IMPACT:

\$ 3,692,000.00 – ADDITIONAL PRINCIPAL AND INTEREST FOR YEAR 2006 BUDGET (ESTIMATED)

\$ 8,308,000.00 – ADDITIONAL REVENUES FOR EXISTING CAPITAL PROJECTS SAVING FUTURE DEBT SERVICE (ESTIMATED AT \$12,462,000.00)

\$12,000,000.00 – TOTAL ESTIMATED PROCEEDS