RESOLUTION AMENDING RESOLUTION WHICH AUTHORIZED THE ISSUANCE AND SALE OF UP TO $10,285,000 IN WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER (SERIES 2003)

WHEREAS, pursuant to Chapter 158, Volume 36, Laws of Delaware, as amended (the "City Charter") and Chapter 111, Volume 52, Laws of Delaware, as amended (collectively, the "Enabling Acts"), The City of Dover (the "City") is authorized to issue revenue bonds for the purpose of financing and refinancing improvements to its water and sewer systems;

WHEREAS, pursuant to the Enabling Acts, the City Council (the "Council") adopted a Resolution on February 27, 1989 (the "Original Resolution") and pursuant to the Enabling Acts and the Original Resolution, the Council adopted Supplemental Resolutions on April 14, 2003 and October 13, 2003 (the "2003 Supplemental Resolutions"), authorizing the issuance of up to $10,285,000 of Water and Sewer Revenue Bonds (the "Series 2003 Bonds") to refinance certain outstanding bonds and to finance certain new water and sewer capital projects (the "2003 Projects");

WHEREAS, the 2003 Supplemental Resolutions identified the 2003 Projects as $600,000 for the Division Street Water Main Upgrade and $1,000,000 for the U. S. 13 East Sanitary Sewer Interceptor (the "U.S. 13 Project");

WHEREAS, Council has determined to redirect the $1,000,000 of the bond proceeds originally expected to be applied to the U.S. 13 Project to the Puncheon Run Pump Station project ("Puncheon Run Project") instead;

WHEREAS, the Original Resolution provides that it can be amended without the consent of the Bondholders in order to cure any "…formal defect contained in the Bond Resolution, if that cure does not, in the judgment of the Council, adversely affect the interest of the Bondholders." and

WHEREAS, the redirection of these funds will not adversely affect the interest of the Bondholders since (i) the funds will be redirected to a qualified project; (ii) the reserve account balance is equal to the Maximum Annual Debt Service on all outstanding bonds; (iii) the engineer's report in 2003 that projected that the net revenues would exceed the 1.20 coverage ratio in fiscal year 2004 has not been affected and the rate covenant and 1.20 coverage ratio projected by the engineer's report have been satisfied; and (iv) the resulting financial impact will be positive because it will result in a reduction of maintenance expenses at Puncheon Run Project.

NOW, THEREFORE, BE IT RESOLVED by Council of the City of Dover, Delaware as follows (at least three fourths of all members thereof concurring therein):

1. The 2003 Supplemental Resolutions are hereby amended to change the definition of "2003 Projects" to include "or any other water or sewer capital projects approved by City Council". Council further determines to use $1,000,000 of the Series 2003 Bond proceeds for the Puncheon Run Pump Station rather than the U.S. 13 East Sanitary Sewer Interceptor. Council finds that the aforesaid amendment to the definition of the "2003 Projects" is a correction of a formal defect in the Supplemental Resolutions and such amendment will not adversely affect the interest of the Bondholders.

2. The City Clerk shall forthwith cause to be published once in a newspaper published in the City a notice in substantially the following form:

"NOTICE

"NOTICE IS HEREBY GIVEN that the City Council of The City of Dover, Delaware, on _____, 2005, pursuant to Chapter 111, Volume 52, Delaware Laws, as amended, adopted a resolution entitled as follows:

'RESOLUTION AMENDING THE RESOLUTION WHICH AUTHORIZED THE ISSUANCE AND SALE OF UP TO $10,285,000 IN WATER AND SEWER REVENUE BONDS OF THE CITY OF DOVER (SERIES 2003)'

"The purpose of the resolution is to amend the description of the Projects to be funded from the proceeds of the sale of the above referenced Bonds and to redirect $1,000,000 of bond proceeds from the U. S. 13 East Sanitary Sewer Interceptor Project to the Puncheon Run Pump Station Project.

"Any action or proceeding to contest the validity of said resolution or any of its provisions must be commenced within thirty (30) days after the publication of this notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of said resolution or any of its provisions shall be asserted, nor shall the validity of said resolution or any of its provisions be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

"By order of the City Council of The City of Dover, Delaware.

_____"
City Clerk

3. The Mayor and Finance Director shall give notice to the Bond Insurer pursuant to the Bond Insurance Provisions related to the Series 2003 Bonds that require notice of any amendment to the Bond Resolution that does not require Bondholder consent.

4. The Mayor, Finance Director and Clerk of Council are hereby authorized and directed to take all action deemed by them as necessary and appropriate to carry out the intent of this resolution.

5. This resolution shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND ADOPTED on ___ day of _____, 2005

APPROVED:

_____
Mayor

Attest:

_____
City Clerk