ORDINANCE NO. [____]

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO $4,892,000 OF A GENERAL OBLIGATION BOND OF SUSSEX COUNTY IN CONNECTION WITH THE JOY BEACH PHASE 2 SEPTIC ELIMINATION PROJECT AND AUTHORIZING ALL NECESSARY ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Title 9, Delaware Code, Section 7001(a), Sussex County (the "County") has "all powers which, under the Constitution of the State, it would be competent for the General Assembly to grant by specific enumeration, and which are not denied by statute" (the "Home Rule Power");

WHEREAS, acting pursuant to its Home Rule Power, and pursuant to Title 9, Delaware Code, Chapters 65 and 67, the County has authorized the design, construction and equipping of the Joy Beach Phase 2 Septic Elimination Project, which will finance (a) the elimination of existing on-site wastewater disposal for approximately 133 lots located on the east side of Camp Arrowhead Road between Happy Gone Road and Yoshino Drive; and (b) a central gravity collection system, pump station, and force main to extend sewer service to the Happy Go Lucky Mobile Home Park, the Cherry Walk, the Cherry Creek Valley, and the Holly Wood communities, which have all been annexed into the Sussex County Unified Sanitary Sewer District (collectively, the "Project");

WHEREAS, pursuant to Title 9, Delaware Code, Section 6706, the County is authorized to issue its Bond and to pledge its full faith and credit thereto, to finance the cost of any object, program or purpose for which the County is authorized to raise, appropriate or expend money under Chapter 67 of Title 9; and

WHEREAS, acting pursuant to the aforesaid authority, the County desires to authorize the issuance of a general obligation of the County to finance the costs of the Project and for the other purposes described herein.

NOW THEREFORE THE COUNTY OF SUSSEX HEREBY ORDAINS (AT LEAST FOUR FIFTHS OF THE MEMBERS OF COUNCIL CONCURRING HEREIN):

Section 1. Amount and Purpose of the Bond. Acting pursuant to Title 9, Delaware Code, Chapters 65 and 67, Sussex County shall issue its negotiable general obligation bond in the maximum aggregate principal amount not to exceed $4,892,000 (the "Bond") to finance or reimburse the County for a portion of the costs of the design, construction and equipping of the Project.

The monies raised from the sale of the Bond (including the investment earnings thereon) after the payment of the costs of issuance, shall be held in one or more Project accounts and shall be expended only for the purposes authorized herein or as may otherwise be authorized by subsequent action by County Council. Authorized purposes include the costs of planning, constructing, acquiring and equipping the Project or any portion thereof; interest on the Bond and any interim financing during the construction period and for a period of up to one year following the estimated date of completion; the reasonable costs of issuance of the Bond and any interim financing; the repayment of temporary loans incurred with respect to the Project; and the reimbursement of authorized costs previously expended by the County

from other funds.

Section 2. Security for the Bond. The principal, interest and premium, if any, on the Bond may be paid by ad valorem taxes on all real property subject to taxation by the County without limitation as to rate or amount, except as limited by Title 9, Delaware Code, Section 8002 (c). Pursuant to Title 9, Delaware Code, Section 6706, the full faith and credit of the County is pledged to such payment. The Bond shall contain a recital that it is issued pursuant to Title 9, Delaware Code, Chapter 67, which recital shall be conclusive evidence of its validity and of the regularity of its issuance. The Bond is backed by the County's full faith and credit.

Section 3. Terms of the Bond. The Bond shall be sold at such price and upon such other terms and conditions consistent with the provisions of this Ordinance and otherwise as the County Administrator shall determine to be in the best interests of the County. The Bond is currently expected to bear interest at rate of 2.00% and shall mature in such amounts and at such times, but not exceeding thirty (30) years from the date of completion of the Project, and shall be subject to redemption, as the County Administrator shall determine. It is currently expected that after the Project has been completed, up to $2,890,000 of the principal balance will be forgiven, with the remaining balance, approximately $2,002,000, requiring principal and interest payments paid semi-annually in an amount sufficient to amortize the outstanding balance over thirty (30) years.

Section 4. Sale of the Bond. The Bond is expected to be issued in one series and shall be sold in one public sale or private negotiated transaction upon such terms and conditions as the County Administrator shall determine shall be in the best interest of the County. It is anticipated that the Bond will be sold to the State of Delaware Water Pollution Control Revolving Fund, acting by and through the Delaware Department of Natural Resources and Environmental Control (or any successor agency).

Section 5. Details of the Bond. The County Administrator is authorized to determine the details of the Bond including the following: the date of the Bond; provisions for either serial or term Bond; sinking fund or other reserve fund requirements; due dates of the interest thereon; the form of the Bond; the denomination and designation of the Bond; registration, conversion and transfer provisions; provisions for the receipt, deposit and investment of the proceeds of the Bond; provisions for the replacement of a lost, stolen, mutilated or destroyed Bond; and provisions for issuing uncertificated obligations and all procedures appropriate for the establishment of a system of issuing uncertificated debt. The Bond shall be executed by the manual or facsimile signature of the County Administrator, shall contain an impression of the County seal or a facsimile thereof and shall be attested by the manual or facsimile signature of the County Clerk. The County Administrator shall determine the form of the Bond.

Section 6. Debt Limit. It is hereby determined and certified, as of the effective date hereof, that the issuance of the Bond is within the legal debt limit of the County.

Section 7. Further Action. The President of the County Council, the County Administrator, the Finance Director and the County Clerk are authorized and directed to take

such other action on behalf of the County, as may be necessary or desirable to effect the adoption of this Ordinance and the issuance and sale of the Bond and to provide for its security and to carry out the intent of this Ordinance, including the publication of notices and advertisements and the execution and delivery of customary closing certificates.

Section 8. Effective Date. This Ordinance shall become effective immediately upon its passage.

The County Clerk is hereby directed to publish a notice of the adoption hereof in accordance with Section 7002(m)(2) of Title 9 of the Delaware Code, as amended.

SYNOPSIS: This Ordinance provides for the issuance of up to $4,892,000 of the Sussex County General Obligation Bond (Joy Beach Phase 2 Septic Elimination Project), Series 2026E-WPCRF to finance or reimburse the County for a portion of the costs of the design, construction and equipping of the Project.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE NO. [_____] ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 8TH DAY OF DECEMBER, 2026.

_____
Tracy N. Torbert
Clerk of the Council