

RESOLUTION NO. R 010 04

A RESOLUTION APPROVING THE ISSUANCE OF UP TO \$7,000,000 REVENUE BONDS BY THE COLORADO EDUCATIONAL AND CULTURAL FACILITIES AUTHORITY (THE NATURE CONSERVANCY PROJECT)

WHEREAS, The Nature Conservancy (the "Applicant"), a District of Columbia nonprofit organization, has filed an application (the "Application") requesting the County Council of Sussex County, Delaware (the "County") to approve the issuance by the Colorado Educational and Cultural Facilities Authority (the "Authority") of up to \$7,000,000 of the Authority's revenue bonds (the "Colorado Bonds") to be applied to make a loan to the Applicant to assist in financing the following project (the "Project"): (a) the acquisition of the approximately 908 acre Glatfelter Ponders tract in the Redden Ellendale matrix forest block consisting of all of tax parcels #2-35-6-22 and 2-35-6-29 located west of the town of Milton and east of Ellendale, having some road footage on Route 16, Route 30 and Reynolds Pond Road in Sussex County, Delaware from Glatfelter Pulpwood, Inc. to be held for conservation purposes and (b) to pay certain issuance expenses; and

WHEREAS, the Colorado Bonds will be special, limited obligations of the Authority and will not be obligations or a liability of the County; and

WHEREAS, the purpose of the County's approval of the issuance of the Colorado Bonds is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended, in order to qualify the Colorado Bonds for exclusion from gross income of the interest thereon for federal income tax purposes; and

WHEREAS, the Application has been reviewed by a committee comprised of the County Administrator, the Director of Finance, the County Attorney, and the Director of Economic Development (the "Review Committee"); and

WHEREAS, following public notice published in the News Journal on December 21, 2003, the Review Committee has conducted a public hearing on January 6, 2004, at which time all interested persons were given an opportunity to comment; and

WHEREAS, following the public hearing the Review Committee has approved the Application and the issuance of the Colorado Bonds and has recommended that County Council also approve the Application and the issuance of the Colorado Bonds; and

WHEREAS, the County Administrator has advised the Applicant and the Review Committee of the Review Committee's findings and determinations and has transmitted the Application and a record of the public hearing to the Council; and

WHEREAS, the Council also desires to approve the Project and the issuance of the Colorado Bonds by the Authority.

NOW, THEREFORE, BE IT RESOLVED:

Section 1: Approval. For the sole purpose of qualifying the Colorado Bonds for federal income tax exemption, the County hereby approves the issuance of the Colorado Bonds by the Authority to assist in financing the Project. The Colorado Bonds will be special, limited obligations of the Authority and will not be obligations or a liability of the County.

Section 2. Effective Date: Further Action. This Resolution and the approval contained herein shall be effective upon receipt by the County Administrator of a legal opinion, satisfactory to him, to the effect that the Colorado Bonds are validly issued for the purposes of assisting in financing the Project. Upon receipt of such legal opinion, the County Administrator is authorized to execute and deliver all appropriate certificates to the Applicant and to take such other action as may be necessary or appropriate in order to evidence the approval contained herein. Approval of this Resolution shall not preclude the Council from independent consideration (and denial) of any application concerning land use matters relating to the Project (e.g. zoning matters).

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 010 04 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 13TH DAY OF JANUARY 2004.

ROBIN A. GRIFFITH
CLERK OF THE COUNCIL

SYNOPSIS: This Resolution approves the issuance by the Colorado Educational and Cultural Facilities Authority of up to \$7,000,000 of the Colorado Authority's bonds to assist The Nature Conservancy in acquiring the 908 acre Gladfelter Ponders tract in the Redden Ellendale matrix forest block to be held for conservation purposes. This approval is required for the Colorado bonds to qualify for federal tax exempt status. The Colorado Bonds will be special, limited obligations of the Colorado Authority and will never be an obligation or liability of Sussex County. Accordingly the Colorado Bonds will have no direct, fiscal impact on the County.