

RESOLUTION NO. R 020 87

BOND RESOLUTION, DATED APRIL 14, 1987 AUTHORIZING THE ISSUANCE OF \$562,700 COUNTY SEWER BONDS - 1987 (HENLOPEN ACRES SANITARY SEWER DISTRICT) OF SUSSEX COUNTY, DELAWARE, PRESCRIBING THEIR DETAILS, PROVIDING FOR THEIR SALE AND PROVIDING FOR CERTAIN MATTERS RELATING TO THE FOREGOING.

WHEREAS, the County Council of Sussex County, located in the State of Delaware now desires, by the adoption of a bond details resolution, to authorize the issuance of its negotiable bonds for specific public and corporate purposes, and to prescribe the details and form and provide for the sale of such bonds;

NOW, THEREFORE,

BE IT RESOLVED by the County Council of Sussex County, Delaware (herein, the "County"), as follows:

(1) The County shall issue its negotiable bond in the aggregate principal amount of \$562,700 (the "Bond") in registered form to the United States of America, acting through Farmers Home Administration, pursuant to and in accordance with Chapter 65 of Title 9 of the Delaware Code, as amended, to finance the construction and acquisition of sanitary sewer improvements to serve the Henlopen Acres Sanitary Sewer District (the "improvements"). The full faith and credit of Sussex County is hereby pledged to the payment of the Bond and the interest thereon in accordance with its terms. The probable useful life of the improvements is forty (40) years. The moneys raised by the issuance of the Bond shall be expended to retire outstanding bond anticipation notes, in a like aggregate principal amount, the proceeds of which have been entirely applied for purposes set forth in Chapter 65 of Title 9 of the Delaware Code, as amended. The Bond shall be in the aggregate principal amount of \$562,700, shall be payable in 80 consecutive semi-annual installments of \$16,335.18 constituting interest and principal (on a level debt service basis) and shall be payable on April 15 and October 16 in each year commencing October 15, 1987 and ending April 15, 2027.

(2) Every semi-annual installment of principal and interest shall be applied first to interest computed to the effective date of payment and then to principal.

(3) The Bond shall be issued as a single bond, in fully registered form, which shall bear the designation "County Sewer Bond - 1987 (Henlopen Acres Sanitary Sewer District)" and shall be numbered R-1.

(4) The Bond is hereby sold to the United States of America, Farmers Home Administration, Department of Agriculture, pursuant to Section 6516 of Chapter 65 of Title 9 of the Delaware Code, as amended.

(5) The Bond shall be dated the date of delivery thereof expected to be on or about April 15, 1987 and shall bear interest from said date at the rate of five per centum (5.00%) per annum.

(6) Both principal of and interest on the Bond shall be payable without presentation or surrender thereof at the National Finance Office of Farmers Home Administration, in St. Louis, Missouri, or at the option of the Farmers Home Administration at the principal office of the Farmers Bank of the State of Delaware, in Georgetown, Delaware, or such other address as the Farmers Home Administration may designate, in any coin or currency of the United States of America as at the time of payment shall be legal tender for payment of debts due the United States of America.

(7) The Bond shall be issued in substantially the form set forth in Appendix A hereto.

(8) The Bond shall be executed in the name of Sussex County, The State of Delaware, and signed by the President of the County Council of the County and the official seal of the County shall be affixed thereon and said seal shall be attested by the Clerk of the County Council of the County.

(9) The Bond is subject to prepayment, at the option of the County, in whole, on any date, or in part, on any payment date

of principal and interest, in inverse order of maturity of the principal amounts maturing in each year as set forth in paragraph (1) hereof, upon 30 days written notice to Farmers Home Administration prior to the next succeeding semi-annual payment date of principal and interest, without premium, plus accrued interest to the date of payment.

(10) The County hereby agrees that if Farmers Home Administration assigns the Bond and insures payment of principal and interest thereof at any time the Bond is outstanding, the County shall continue to make payments to Farmers Home Administration as collection agent for the then holder of the Bond.

(11) The County hereby agrees that if at any time the Bond is outstanding it shall appear to the United States of America, acting through Farmers Home Administration, that the County may be able to obtain a loan from another authorized source of credit at reasonable rates of interest for loans of similar purposes and periods of maturity, the County shall, at the request of the United States of America, acting through Farmers Home Administration, apply for and accept such loan at an amount sufficient to repay the Bond in full to the United States of America, acting through Farmers Home Administration.

(12) The Bond may be assigned provided that upon such assignment the assignor shall promptly notify the County by registered mail and the assignee shall surrender the same to the County for transfer on the registration records of the County, and provide that such assignee shall take the Bond subject to such condition.

(13) The County hereby agrees that default under any instrument evidencing a debt or other financial obligation of the County to the United States of America, acting through Farmers Home Administration, including a Loan Resolution (Public Bodies) duly adopted by said County Council, dated July 31, 1984 shall constitute

default under the terms of the Bond. Upon any default, the County agrees that the United States of America, acting through Farmers Home Administration at its option upon 30 days written notice to the County may declare the Bond immediately due and payable on the next succeeding semi-annual payment date of principal and interest, without premium, plus accrued interest to the date of payment.

(14) It is hereby certified that the Bond issued for the purpose of constructing sewer improvements is exempt from the legal limitation on the indebtedness of the County contained in Section 6102, Chapter 61, Title 9, Delaware Code, as amended, by the terms of Section 6518, Chapter 65, Title 9, Delaware Code, as amended.

(15) The principal of and interest on the Bond is payable from ad valorem taxes on real estate, tangible personal property and intangible property, subject to taxation by the County, without limitation as to rate or amount.


(16) The President of the County Council is hereby authorized and directed to provide a suitable bond register for the registration of the Bond and to act as Bond Registrar in registering the Bond. The President of the County Council shall maintain a Payment Record, in substantially the form attached hereto as Appendix B, of the installments of principal and interest made with respect to the Bond. The President of the County Council shall also maintain a Prepayment Schedule, substantially in the form attached hereto as Appendix C, of principal installments of the Bond which have been prepaid prior to maturity.

(17) The power to prescribe the terms, form and contents of the Bond, and the power to sell, issue and deliver such Bond subject to the provisions of this resolution, is hereby delegated to the President of the County Council of Sussex County. The power to execute any documents, and the power to take any further action and do all things necessary with respect to the sale, issuance

and delivery of the Bond is hereby delegated to the President of the County Council, the Treasurer, the Director of Finance, and the County Attorney of the County, subject to the provisions of this resolution.

(18) This resolution shall take effect immediately upon its adoption by a three-fifths vote of all of the members of the County Council of Sussex County, Delaware.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 020 87 PASSED BY THE COUNTY COUNCIL OF SUSSEX COUNTY ON THE 14TH DAY OF APRIL, 1987.


DORIS E. ROGERS
CLERK OF THE COUNTY COUNCIL