

RESOLUTION NO. R 021 89

RESOLUTION AUTHORIZING A \$1,750,000 LINE OF CREDIT WITH THE BANK OF DELAWARE IN ANTICIPATION OF ISSUING BONDS AND THE ISSUANCE OF A SUSSEX COUNTY, DELAWARE PROMISSORY NOTE TO THE BANK OF DELAWARE IN AN AMOUNT NOT TO EXCEED \$1,750,000 FOR INTERIM FINANCING TO REIMBURSE THE STATE OF DELAWARE FOR THE COUNTY'S SHARE OF EXPENSES INCURRED BY THE STATE OF DELAWARE FOR REPLENISHING THE COASTAL BEACHES WITHIN THE COUNTY, AND TO PAY FOR ADDITIONAL EXPENSES IN CONNECTION WITH SUCH REPLENISHMENT, AND COSTS ASSOCIATED THEREWITH, AND AUTHORIZING ALL OTHER ACTION NECESSARY OR DESIRABLE IN CONNECTION THEREWITH.

WHEREAS, the County of Sussex (the "County") is a county and political subdivision of the State of Delaware (the "State") with home rule powers; and

WHEREAS, the County is required to pay the costs of replenishing the coastal beaches located within the County; and

WHEREAS, the County anticipates issuing its bonds to pay for the costs of replenishing the coastal beaches located within the County; and

WHEREAS, the County hereby determines that the replenishment of the coastal beaches located within the County will have a useful life of three (3) years or more; and

WHEREAS, in anticipation of issuing such bonds, the County Council has adopted an ordinance (the "Ordinance") authorizing a \$1,750,000 Line of Credit with the Bank of Delaware (the "Line of Credit") and the issuance of the County's promissory note (the "Promissory Note") to the Bank of Delaware in an amount not to exceed \$1,750,000 for interim financing to reimburse the State for the County's share of expenses incurred by the State for replenishing the coastal beaches in the County and to pay for additional expenses in connection with such replenishment and costs associated therewith.

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY RESOLVES:

1. Obligations. The County authorizes the acceptance of the Bank of Delaware Line of Credit Bid Proposal dated May 1, 1989 (the "Line of Credit Bid Proposal") on the conditions set forth therein for the public purpose of financing, on an interim basis, the expenses of replenishing the coastal beaches located within the County, and pursuant to Chapter 70 of Title 9 of the Delaware Code, and the Constitution of the State, the County authorizes the execution, issuance, and delivery of its Promissory Note to the Bank of Delaware in an amount not to exceed \$1,750,000 for and on account of such expenses.

2. Terms, Security. The terms of the Promissory Note shall be as set forth in the Line of Credit Bid Proposal or as determined by the County Administrator.

The Promissory Note shall be an unsecured obligation of the County and the County pledges its full faith and credit or taxing power to the payment thereof or the interest thereon. The Promissory Note shall not be a debt, liability, or obligation of the State or any political subdivision thereof other than the County.

3. Purposes. The amounts borrowed pursuant to such Line of Credit Bid Proposal and the Promissory Note shall be used for the public purpose of financing on an interim basis, and in anticipation of issuing the County's bonds, the expenses of replenishing the coastal beaches located within the County, as set forth in the recitals hereto and in Section 1 hereof.

Notwithstanding any provision of the Ordinance or this Resolution to the contrary, the Promissory Note and the amounts borrowed thereunder are not issued for the purpose of the payment of (i) any item of operating expense or any judgment resulting from the failure to pay any such item or (ii) any equipment or any public improvements of a normal life of less than three (3) years.

4. Execution, Delivery and Performance. The County Administrator and the County Director of Finance are hereby authorized and directed to execute and deliver by and on behalf of the County the Line of Credit Bid Proposal dated May 1, 1989, the Promissory Note in an amount not to exceed \$1,750,000, and/or any other documents necessary or desirable in connection therewith or herewith. The Clerk of The County Council is authorized to affix the seal of the County on each such document and attest the signature of the County Administrator and the County Director of Finance and such seal(s) thereon.

5. Appointment of Special Counsel. Morris, James, Hitchens & Williams, of Wilmington, Delaware, is appointed special counsel in connection with the issuance of the Promissory Note.

The County Administrator, the County Director of Finance, and the County Clerk are authorized and directed to take such other action on behalf of the County as may be necessary or desirable in connection with the borrowing authorized herein and to carry out the intent of the Ordinance and this Resolution.

6. Effective Date. This Resolution shall be effective immediately upon its adoption.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 021 89 PASSED BY THE COUNTY COUNCIL OF SUSSEX COUNTY ON THE 11TH DAY OF JULY, 1989.


DORIS E. ROGERS
CLERK OF THE COUNTY COUNCIL