

RESOLUTION NO. R 022 02

**RESOLUTION APPROVING A WRITTEN AGREEMENT
FOR FIREFIGHTING SERVICES WITH
THE REHOBOTH BEACH VOLUNTEER FIRE COMPANY, INC. AND
THE ISSUANCE OF CERTAIN BONDS BY THE
REHOBOTH BEACH VOLUNTEER FIRE COMPANY, INC.**

WHEREAS, the Rehoboth Beach Volunteer Fire Company, Inc. (the "Company") is a volunteer fire company organized and existing under the laws of the State of Delaware; and

WHEREAS, the Company has provided and continues to provide firefighting services to an area within Sussex County, Delaware (the "County"); and

WHEREAS, the Company has advised the County, that the Company proposes to issue up to \$850,000.00 of bonds of the Company (the "Bonds") for the following purpose: to finance the Company's portion of the construction of a three (3) bay, approximately 8,200 square foot firehouse to be built on the north east side of Route 24, approximately four miles from Route 1 (near the intersection with Route 5), near Rehoboth Beach, Delaware (the "Project") which will be jointly owned and operated by the Company and the Lewes Volunteer Fire Department No. 2.

WHEREAS, it is the intent of the Company that the interest on its Bonds qualify for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 150 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to Sections 103 and 147 of the Code, interest on the Bonds will not qualify for exclusion from gross income of the owners thereof for federal income tax purposes unless the issuance of the Bonds is approved by the applicable elected representative of a governmental unit with which the Company has entered into an agreement, after a public hearing to consider the issuance of the Bonds has been conducted by such governmental unit following reasonable public notice; and

WHEREAS, the Company desires to enter into a written agreement with the County (the "Agreement") for such purpose and to confirm the provision of such firefighting services to such area; and

WHEREAS, notice of the requisite public hearing was published in the Delaware State News, a newspaper of general circulation in the County.

NOW THEREFORE BE IT RESOLVED THAT, Sussex County, Delaware hereby approves the form of Agreement to be entered into between the County and the Company, a copy of which is attached hereto, and hereby authorizes and directs the County Administrator to execute and deliver the same on behalf of the County.

WHEREAS, on July 30, 2002, after approval and execution of the Agreement, the County conducted a public hearing on behalf of the Company for the purpose of considering the issuance of the Bonds;

NOW THEREFORE BE IT RESOLVED THAT, Sussex County, Delaware, for the sole purpose of qualifying the interest payable on the Company's Bonds for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, does hereby approve the issuance of the Bonds by the Company in a maximum aggregate principal amount of up to \$850,000.00 for the purpose of financing a portion of the costs of the Project, provided, that the Bonds shall be an obligation of the Company and shall never be a debt of the County and the County shall not be liable for any payment on the Bonds.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 022 02 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 30TH DAY OF JULY, 2002.


ROBIN A. GRIFFITH
CLERK OF THE COUNCIL

AGREEMENT

THIS AGREEMENT made this 30th day of July, 2002 by and between Sussex County, Delaware (the "County"), a county and political subdivision of the State of Delaware and the Rehoboth Beach Volunteer Fire Company, Inc. (the "Company"), a volunteer fire company organized under the laws of the State of Delaware.

WHEREAS, the Company has provided fire protection and prevention services to an area within the County as established by the Delaware State Fire Prevention Commission (the "Area"), and

WHEREAS, the Company desires to borrow funds to pay its portion of the costs of the construction of new firehouse in the Area, and

WHEREAS, under Section 150 of the Internal Revenue Code in order for the borrowing to be accorded favorable federal income tax treatment, the Company must have a written agreement with the County to furnish fire fighting services to the Area.

NOW THEREFORE, in consideration of their mutual promises and obligations, the parties thereto, intending to be legally bound, hereby agree as follows:

1. The Company shall continue to provide and furnish fire protection, fire prevention and fire fighting services to the Area from the date of this Agreement on a volunteer basis.
2. The County shall continue to allow the Company to provide and furnish fire protection, fire prevention and fire fighting services to and within the Area from this date.
3. The County acknowledges that the Company is the exclusive fire department for the Area established pursuant to State of Delaware ("State") law by the State Fire Prevention Commission and shall not enter into a written agreement with any other person or entity for the provision of fire fighting services to or within the Area except in compliance with mutual aid agreements with the Company or in compliance with applicable State of

Delaware law.

4. The parties hereto agree that the Area shall automatically change and conform as required to conform to any changes to the Area under State law pursuant to 16 Del.C. § 6619.

5. The parties hereto acknowledge that 16 Del.C. § 6619 vests in the State Fire Prevention Commission the power and the authority to determine whether any new fire companies or substations shall be authorized in the State, to prohibit the suspension of fire protection services in the State, to confirm the established geographical boundaries of areas served by all existing fire companies in the State and to resolve boundary disputes between or among such fire companies in the State. Notwithstanding anything in this Agreement to the contrary, the County is not hereby assuming any power, authority or responsibility with respect to any of the aforementioned powers or authority of the State Fire Prevention Commission.

6. The provisions of this Agreement shall be binding on the successors of the parties hereto.

7. The rights, privileges and obligations of the parties hereto shall not be assignable.

8. This Agreement shall not be nor be implied to be a waiver of any limitation of the liability of the Company or the County as provided by statute or otherwise.

9. This Agreement shall continue in effect for a period of 10 years from the date hereof. Thereafter, it shall continue on a year-to-year basis unless and until terminated by either party in writing delivered to the other party at least 30 days before the expiration of that current term.

10. The Company hereby agrees to defend, indemnify and save the County and its officers, employees and agents harmless from and against, all liabilities, losses, damages, costs and expenses (including reasonable attorney fees), causes of action, suits, claims, demands and judgments of any nature arising from or in connection with any injury to or death

of any person or damage to property resulting from the provision by the Company of fire fighting services to the Area (or the failure by the Company to so provide such fire fighting services to the Area).

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals the day and year first above written.

SUSSEX COUNTY, DELAWARE

By 
President

Attest: (SEAL)


Clerk Of Council

Approved as to form

By: _____
County Attorney

REHOBOTH BEACH VOLUNTEER FIRE
COMPANY, INC.

By _____
President

Attest: (CORPORATE SEAL)

By: _____

PA&C-531992