

RESOLUTION NO. R 024 87

AUTHORIZING THE ISSUANCE OF \$150,000 ECONOMIC DEVELOPMENT REVENUE BONDS (GATEWAY PARTNERSHIP VI PROJECT), SERIES 1987A, AUTHORIZING THE ISSUANCE OF \$590,000 ECONOMIC DEVELOPMENT REVENUE REFUNDING BONDS (GATEWAY PARTNERSHIP VI PROJECT), SERIES 1987B AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the Council of Sussex County, Delaware (the "County") has heretofore adopted the Sussex County Commercial, Industrial and Agricultural Ordinance No. 80 (the "General Ordinance") to encourage and assist the financing of the construction, acquisition, sale or lease of industrial, commercial and agricultural facilities related to the maintenance or promotion of employment or to the redevelopment or revitalization of areas within the County; and

WHEREAS, Gateway Partnership VI, a Maryland partnership (the "Applicant"), has applied to the County for the financing of a project consisting of the acquisition of approximately 2.58 acres of land to construct thereon and operate a 60-room luxury budget motel to be located on the southeast intersection of U.S. Route 13 and Beaver Dam Road in the Town of Seaford, Seaford Hundred, Sussex County, Delaware (the "Project"); and

WHEREAS, as required by the General Ordinance, the Applicant submitted to the County through the County Administrator (the "Administrator") an application for assistance in financing the Project (the "Application") and requested the County to finance a portion of the costs of the Project through the issuance by the County of Economic Development Revenue Bonds in a principal amount of \$2,600,000 and the County did finance a portion of the Costs of the Project by issuing and selling its Economic Development Revenue Bonds (Gateway Partnership VI Project), Series 1986 (the "Original Issue"), in the principal amount of \$2,540,000 on December 30, 1986; and

WHEREAS, the Applicant now seeks further assistance in financing the Project and has submitted, as required by the General

Ordinance, a second application, supplementing the Application (collectively, the second application and the Application shall be referred to as the "Application") and has requested the County to finance a portion of the costs of the Project through the County's issuance of its Economic Development Revenue Refunding Bonds in a principal amount of \$590,000 to refund a like principal amount of the Original Issue and has also requested the County to finance a portion of the costs of the Project through the County's issuance of its Economic Development Revenue Bonds in a principal amount of \$150,000 which are not exempt from Federal income taxation; and

WHEREAS, after public notice published in The Wilmington Morning News as required by the General Ordinance, the Application was reviewed by a committee comprised of the County Administrator, Director of Finance, the County Attorney and the Director of Economic Development (the "Review Committee") at a public hearing conducted on April 28, 1987, at which time all interested persons were given an opportunity to be heard; and

WHEREAS, the Reveiw Committee made the findings and determinations required by the General Ordinance; and

WHEREAS, the Administrator advised the Applicant of the Review Committee's findings and determinations; and

WHEREAS, the Administrator advised the Council of the Review Committee's findings and determinations and recommendations and transmitted the Application to the Council; and

WHEREAS, the Council approved the additional financing for the Project and made the findings and determinations required by the General Ordinance at its regular meeting held on April 28, 1987; and

WHEREAS, the Applicant now requests the County to issue and sell its Economic Development Revenue Bonds (Gateway Partnership VI Project), Series 1987A in the aggregate principal amount of \$150,000 (the "Series 1987A Bonds") and to loan the proceeds thereof to the Applicant to finance a portion of the cost of acquiring, constructing and equipping the Project; and

WHEREAS, the Applicant now requests the County to issue its Economic Development Revenue Refunding Bonds (Gateway Partnership VI Project), Series 1987B in the aggregate principal amount of \$590,000 (the "Series 1987B Bonds"), to use the proceeds thereof to refund a like principal amount of the Original Issue and to loan the proceeds derived from such refunding (the "Transferred Proceeds") to the Applicant; and

WHEREAS, there have been presented to this meeting the forms of the following instruments, copies of which shall be filed with the records of the County:

(a) A Series 1987A Bond Purchase and Remarketing Agreement, dated as of April 1, 1987, with respect to the Series 1987A Bonds (the "Series 1987A Remarketing Agreement"), among the County, Scott and Stringfellow, Inc. (the "Remarketing Agent") and the Applicant, whereby, among other things the Remarketing Agent agrees to purchase the Series 1987A Bonds, all upon the terms and conditions contained therein;

(b) A Series 1987B Bond Purchase and Remarketing Agreement, dated as of April 1, 1987, with respect to the Series 1987B Bonds among the County, the Applicant, and the Remarketing Agent (the "Series 1987B Remarketing Agreement"), whereby, among other things, the Agent agrees to purchase the Series 1987B Bonds, all upon the terms and conditions contained therein;

(c) A Series 1987A Financing Agreement, dated as of April 1, 1987, with respect to the Series 1987A Bonds between the County and the Applicant (the "Series 1987A Financing Agreement");

(d) A Series 1987B Financing Agreement, dated as of April 1, 1987, with respect to the Series 1987B Bonds, between the County and the Applicant (the "Series 1987B Financing Agreement");

(e) A Series 1987A Loan Agreement, dated as of April 1, 1987 with respect to the Series 1987A Bonds between the County and the Applicant (the "Series 1987A Loan Agreement"), whereby, among other things, the County has agreed to loan the proceeds of the Series 1987A Bonds to the Applicant, and the Applicant agrees

to repay the loan, upon the terms and conditions contained therein;

(f) A Series 1987B Loan Agreement, dated as of April 1, 1987, with respect to the Series 1987B Bonds between the County and the Applicant (the "Series 1987B Loan Agreement"), whereby, among other things, the County has agreed to loan the Transferred Proceeds of the Series 1987B Bonds to the Applicant, and the Applicant agrees to repay the loan, upon the terms and conditions contained therein;

(g) A Series 1987A Indenture of Trust, dated as of April 1, 1987, with respect to the Series 1987A Bonds (the "Series 1987A Indenture") between the County and United Virginia Bank, Richmond, Virginia, as Trustee (the "Trustee") providing for the issuance of, and security for, the Series 1987A Bonds;

(h) A Series 1987B Indenture of Trust, dated as of April 1, 1987, with respect to the Series 1987B Bonds (the "Series 1987B Indenture"), between the County and the Trustee, providing for the issuance of, and security for, the Series 1987B Bonds;

(i) The form of the County's Economic Development Revenue Bonds (Gateway Partnership VI Project), Series 1987A, dated as of April 1, 1987, in the aggregate principal amount of \$150,000. The principal of, and interest (at the rates set forth in, or determined in accordance with, the Series 1987A Bonds) on, the Series 1987A Bonds shall be payable in the amounts, at the times and in the manner set forth in the form of Series 1987A Bond attached to this resolution;

(j) The form of the County's Economic Development Revenue Refunding Bonds (Gateway Partnership VI Project), Series 1987B, date as of April 1, 1987, in the aggregate principal amount of \$590,000. The principal of, and interest (at the rates set forth in or determined in accordance with the Series 1987B Bonds) on, the Series 1987B Bonds shall be payable in the amounts, at the times and in the manner set forth in the form of Series 1987B Bond attached to this resolution; and

WHEREAS, after careful consideration and in furtherance of the public purpose for which it was created, the County proposes to execute or enter into the documents listed above as (a) - (h) (collectively, the "Documents") and to issue the Series 1987A Bonds and the Series 1987B Bonds all as hereinafter set forth:

NOW, THEREFORE,

BE IT RESOLVED BY COUNTY COUNCIL OF SUSSEX COUNTY:

1. For the purpose of paying a portion of the cost of acquiring, constructing and equipping the Project, the issuance of the revenue bonds of the County to be known as the "Sussex County, Delaware, Economic Development Revenue Bonds (Gateway Partnership VI Project), Series 1987A" is hereby authorized. The Series 1987A Bonds shall be dated as of April 1, 1987, and shall be in the aggregate principal amount of \$150,000.

2. For the purpose of paying a portion of the cost of acquiring, constructing and equipping the Project, the issuance of the revenue refunding bonds of the County to be known as the "Sussex County, Delaware, Economic Development Revenue Refunding Bonds (Gateway Partnership VI Project), Series 1987B" is hereby authorized. The Series 1987B Bonds shall be dated as of April 1, 1987, and shall be in the aggregate principal amount of \$590,000.

3. The principal and interest on the Series 1987A Bonds and the Series 1987B Bonds, at the rates of interest set forth in and determined in accordance with the Series 1987A Bonds and the Series 1987B Bonds and the Series 1987A and the Series 1987B Indentures, shall be payable in the amounts, at the times and in the manner set forth in the forms of the Series 1987A and the Series 1987B Bonds attached to this Resolution as Exhibits A and B and by this reference are incorporated herein and made a part hereof. The forms of the Series 1987A and the Series 1987B Bonds shall be substantially in the forms presented to this meeting.

4. The payments to be received by the County under the terms of the Series 1987A and Series 1987B Financing Agreements, as represented by the Applicant, are calculated to be sufficient to pay the principal and redemption price of, and interest on, the

Series 1987A Bonds and the Series 1987B Bonds as the same become due and payable.

5. The execution, delivery and performance of the Documents are hereby authorized, directed and approved. The Documents shall be in substantially the forms submitted to this meeting, as hereinabove recited, with such changes, insertions or omissions as may be approved by the Administrator, whose approval thereof shall be conclusively evidenced by the execution and delivery or acceptance of such Documents by such officer with such changes, insertions or omissions.

6. United Virginia Bank, Richmond, Virginia is hereby designated to act as the Trustee under the Series 1987A and Series 1987B Indentures and as paying agent and registrar for the Series 1987A Bonds and the Series 1987B Bonds.

7. The Administrator is hereby authorized and directed to execute manually or by his facsimile signature, and the Clerk of the County is hereby authorized and directed to affix or cause to be imprinted and attest by manual or facsimile signature the seal of the County to the Series 1987A Bonds and the Series 1987B Bonds in the form contemplated by the Series 1987A Indenture and by the Series 1987B Indenture and as presented to the County at the meeting at which these preambles and resolutions were adopted, with such changes, insertions or omissions as are authorized, as aforesaid; and the Administrator is authorized and directed to deliver the Series 1987A Bonds and the Series 1987B Bonds to the Remarketing Agent or its duly authorized attorney in fact, upon payment of the purchase price and such other terms set forth in the Series 1987A and Series 1987B Indentures and the Series 1987A and Series 1987B Remarketing Agreements. The Trustee is further directed to use the payment of the purchase price received with respect to the Series 1987B Bonds to refund \$590,000 of the outstanding principal amount of the Original Issue. The Trustee, as Bond Registrar, shall keep accurate records of the registered holders of the Series 1987A Bonds and the Series 1987B Bonds and any transfer thereof, as specified in the Series 1987A Bonds and the Series 1987B Bonds and the Series 1987A and Series

1987B Indentures.

8. The Administrator is hereby authorized to execute and deliver on behalf of the County the Documents, and each officer of the County is hereby authorized to execute and deliver such instruments and documents on behalf of the County and to execute and deliver all such instruments, documents or certificates, including but not limited to executing and filing Form 8038 with the Internal Revenue Service to satisfy the requirements of Section 149(e) of the Code with respect to the Series 1987B Bonds, and to do and perform all such things and acts as each such officer shall deem necessary or appropriate in furtherance of the issuance of the Series 1987A Bonds and the Series 1987B Bonds and the carrying out of the transactions, including but not limited to the refunding of a portion of the outstanding principal of the Original Issue, authorized by this Resolution or contemplated by the Documents and other instruments referred to in this Resolution; and all such things and actions heretofore done or performed by the officers of the County or members of the County Council are in all respects approved, ratified and confirmed.

9. The County, in conformity with Treasury Decision 8086 (issued May 2, 1986), hereby makes the election to have the provisions of Section 144(a)(4) of the Tax Code apply to all of the Series 1987B Bonds.


10. All other acts of the officers of the County which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Series 1987A Bonds and the Series 1987B Bonds, the refunding of a portion of the outstanding principal amount of the Original Issue and the undertaking of the Project, whether such acts occurred before or occur after the adoption of this Resolution, are hereby ratified, approved and confirmed.

11. The provisions of Resolution No. R 052 86 adopted by the County Council on November 25, 1986, and Resolution No. R 079 86 adopted by the County Council on December 30, 1986, are hereby

incorporated by reference, except where superseded by the provisions hereof.

12. 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 024 87 PASSED BY THE COUNTY COUNCIL OF SUSSEX COUNTY ON THE 28TH DAY OF APRIL, 1987.


DORIS E. ROGERS
CLERK OF THE COUNTY COUNCIL