

RESOLUTION NO. R 030 90

RESOLUTION AUTHORIZING A TWENTY FIVE MILLION DOLLAR (\$25,000,000) LINE OF CREDIT WITH WILMINGTON TRUST COMPANY, IN ANTICIPATION OF ISSUING BONDS, FOR THE CONSTRUCTION OF AND/OR IMPROVEMENTS TO VARIOUS SEWER AND/OR WATER SYSTEMS SERVING SUSSEX COUNTY, DELAWARE, AND THE PAYMENT OF COSTS ASSOCIATED THEREWITH, AUTHORIZING THE ISSUANCE OF SUSSEX COUNTY, DELAWARE PROMISSORY NOTES FOR AMOUNTS BORROWED PURSUANT TO SUCH LINE OF CREDIT, AUTHORIZING A PLEDGE OF THE COUNTY'S FULL FAITH AND CREDIT AND TAXING POWER THEREFOR, AND AUTHORIZING ALL OTHER ACTION NECESSARY OR DESIRABLE IN CONNECTION THEREWITH.

WHEREAS, Sussex County, Delaware (the "County") is a county and political subdivision of the State of Delaware (the "State") having home rule powers pursuant to chapter 70, Title 9, of the Delaware Code, as amended (the "Act"); and

WHEREAS, the County has the power pursuant to the Act to establish a line of credit and issue its promissory notes in connection therewith for the public purpose of planning, constructing, improving, and acquiring various sewer and water systems for Sussex County, Delaware, and the payment of costs associated therewith; and

WHEREAS, the County anticipates issuing its bonds to pay for the same and retire the amounts borrowed for such purposes pursuant to such line of credit; and

WHEREAS, on April 24, 1990, the Sussex County Council adopted Ordinance No. 676 (the "Ordinance") authorizing a Fifty Million Dollar (\$50,000,000) line of credit, in anticipation of issuing bonds, for the construction of and/or improvements to various sewer and water systems serving Sussex County, Delaware; and

WHEREAS, in the Ordinance, the County determined that it is necessary and desirable to establish such line of credit, issue notes pursuant thereto, and plan, construct, improve, and acquire such sewer and water systems in anticipation of issuing bonds to pay for the costs thereof; and

WHEREAS, in the Ordinance, the County determined that the amounts borrowed pursuant to such line of credit will not be used for any of the following purposes: (a) the payment of any operating expense; (b) the payment of any judgment resulting from the failure of the County to pay any item of operating expense; and (c) the payment for any equipment or any public improvements of a normal life of less than three (3) years.

NOW, THEREFORE, THE COUNTY OF SUSSEX HEREBY RESOLVES:

1. Obligations. Pursuant to the Ordinance, the County authorizes the acceptance of the Wilmington Trust Company \$25,000,000 Line of Credit Commitment Letter, dated August 10, 1990 (the "Line of Credit Commitment Letter"), for the public purpose of financing on an interim basis, and in anticipation of issuing bonds, the planning, constructing, acquiring, and improving of various sewer and/or water systems serving Sussex County, Delaware, and the payment of costs associated therewith, and the County authorizes the execution, issuance, and delivery of the County's promissory notes in amounts not to exceed, at any one time, Twenty Five Million Dollars (\$25,000,000) (the "Promissory Notes"), for and on account of such costs.

2. Terms, Security. The terms and conditions of the Promissory Notes and any security therefor shall be as set forth in the Line of Credit Commitment Letter.

The Promissory Notes shall be obligations of the County and the County pledges its full faith and credit and taxing power to the payment thereof and the interest thereon. The principal and interest thereon are to be paid by ad valorem taxes on all real property subject to taxation by the County without limitation as to rate or amount; provided, however, the County may reduce any such tax by the amount of other moneys appropriated and actually available for such purpose or by local or special assessments or local service taxes. The Promissory Notes shall not be a debt, liability, or obligation of the State or any political subdivision thereof other than the County. The County may not levy taxes to pay any premium on the Promissory Notes,

3. Purposes. (a) The amounts borrowed pursuant to such Line of Credit Commitment Letter and the Promissory Notes shall be used for the public purpose of financing on an interim basis, and in anticipation of issuing the County's bonds, the planning, constructing, acquiring, and improving of various sewer and/or water systems serving Sussex County, Delaware, and the payment of costs associated therewith.

(b) Notwithstanding any provision of this Resolution to the contrary, the Promissory Notes and the amounts borrowed thereunder shall not be issued for the purpose of the payment of (a) any item of operating expense, (b) any judgment resulting from the failure to pay any item of operating expense, or (c) any equipment or any public improvements of a normal life of less than three (3) years.

4. Execution, Delivery, Performance, Further Action.

(a) The President, or in his absence, the Vice-President of the Sussex County Council is hereby authorized to execute and deliver by and on behalf of the County the Line of Credit Commitment Letter, and the County Administrator and the County Director of Finance are hereby authorized to execute and deliver any other documents necessary or desirable in connection therewith or herewith, to the extent consistent herewith.

(b) The President, or in his absence, the Vice President of the Sussex County Council, and the County Director of Finance, are hereby authorized to execute and deliver from time to time Promissory Notes pursuant to such Line of Credit Commitment Letter in an amount not to exceed, at any one time, Twenty Five Million Dollars (\$25,000,000).


(c) The Sussex County Council is authorized to take such further action by subsequent resolution as may be necessary or desirable in furtherance of the public purposes expressed herein to the fullest extent provided by the Act and the Ordinance and not inconsistent herewith.

(d) The County Administrator and the County Director of Finance are authorized to take such further action as may be necessary or desirable in furtherance of the public purposes expressed herein to the fullest extent provided by the Act and the Ordinance, and not inconsistent herewith.

(e) The Clerk of the Sussex County Council is authorized to affix the seal of the County on each such document and attest the signatures of the President and Vice President of the Sussex County Council, County Administrator, and the County Director of Finance.

5. 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 030 90 PASSED BY THE COUNTY COUNCIL OF SUSSEX COUNTY ON THE 25TH DAY OF SEPTEMBER, 1990.



DORIS E. ROGERS - CLERK OF THE
COUNTY COUNCIL

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