

Approved: September 10, 2017

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LEWES, DELAWARE, APPROVING THE CITY OF LEWES BOARD OF PUBLIC WORKS PLAN TO BORROW (1) \$164,000 FROM THE DELAWARE WATER POLLUTION CONTROL REVOLVING FUND, ACTING BY AND THROUGH THE DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL, FOR THE PURPOSE OF FINANCING THE ABBOTT PARK SEWER IMPROVEMENTS PROJECT AND (2) \$206,000 FROM THE DELAWARE DRINKING WATER STATE REVOLVING FUND, ACTING BY AND THROUGH THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, FOR THE PURPOSE OF FINANCING THE ABBOTT PARK WATER SYSTEM IMPROVEMENTS PROJECT

WHEREAS, the City of Lewes Board of Public Works (the "Board") desires to undertake a project to install gravity sewer, lateral piping, manholes and terminal main cleanouts to serve 20 existing mobile homes and will allow for greater accessibility for future maintenance (the "Abbott Park Sewer Improvements Project"); and

WHEREAS, the City of Lewes Board of Public Works (the "Board") desires to undertake a project to improve the Abbott Park Cooperative's aging water system and improve system access and upgrade fire protection for the area (the "Abbott Park Water System Improvements Project"); and

WHEREAS, the Board received a Binding Commitment Letter dated August 14, 2018 (the "DNREC Commitment Letter") from the Delaware Water Pollution Control Revolving Fund, acting by and through the Delaware Department of Natural Resources and Environmental Control ("DNREC") offering a loan in the amount of \$164,000, for a term of twenty (20) years, at an annualized rate of 2.3% and principal forgiveness of the entire amount advanced to the City up to \$140,000 upon completion of the Abbott Park Sewer Improvements Project, to fund the Abbott Park Sewer Improvements Project, such loan to be secured by a revenue pledge of the Board pursuant to Section 4.14.1.1 of the Charter of the Lewes Board of Public Works, being Chapter 10, Volume 77, Laws of Delaware as amended (the "Board Charter"); and

WHEREAS, the Board received a Binding Commitment Letter dated August 16, 2018 (the "DHSS Commitment Letter" and together with the DNREC Commitment Letters, the "Commitment Letters") from the Delaware Drinking Water State Revolving Fund, acting by and through the Department of Health and Social Services ("DHSS") offering a loan in the amount of \$206,000, for a term of twenty (20) years, at an annualized rate of 2.3% and principal forgiveness up to \$206,000 of the outstanding principal balance upon completion of the Abbott Park Water System Improvements Project, to fund the Abbott Park Water System Improvements Project, such loan to be secured by a revenue pledge of the Board pursuant to Section 4.14.1.1 of the Board Charter; and

WHEREAS, the Board desires to accept the DNREC loan under terms substantially similar to the terms provided in the DNREC Commitment Letter; and

WHEREAS, the Board desires to accept the DHSS loan under terms substantially similar to the terms provided in the DHSS Commitment Letter; and

WHEREAS, pursuant to the 4.14.1.1 of the Board Charter, the Board “shall obtain the prior consent of the Mayor and City Council” to accept the DNREC loan and DHSS loan; and

WHEREAS, consistent with the DNREC Commitment Letter and the Board Charter, the Mayor and City Council of the City of Lewes desire to consent to the Board’s plan to finance the Abbott Park Sewer Improvements Project with the DNREC loan, to enter into loan agreements, or similar financing agreements (the “DNREC Loan Agreement”), with DNREC, and to issue its revenue bonds to secure the same; and

WHEREAS, consistent with the DHSS Commitment Letter and the Board Charter, the Mayor and City Council of the City of Lewes desire to consent to the Board’s plan to finance the Abbott Park Water System Improvements Project with the DHSS loan, to enter into loan agreements, or similar financing agreements (the “DHSS Loan Agreement” and together with the DNREC Loan Agreement, the “Loan Agreements”), with DHSS, and to issue its revenue bonds to secure the same; and

WHEREAS, the Mayor and City Council of the City of Lewes further desire to consent to the City of Lewes Board of Public Works taking any and all actions necessary or desired to execute the Loan Agreements and any related documents with respect to the DNREC loan and DHSS loan.

NOW, THEREFORE, BE IT RESOVED by the Mayor and City Council of the City of Lewes, Delaware in session met this 10th day of September 2018, that:

Section 1. The Mayor and City Council of the City of Lewes hereby consents to the Board taking any and all actions necessary or desired to execute the Loan Agreements, issue its revenue bonds to secure the DNREC loan and DHSS loan, and to execute any related documents, with terms substantially similar to those provided in the Commitment Letters (attached hereto as Exhibit A and Exhibit A-1).

Section 2. This Resolution shall be effective upon its adoption by the elected members of the City Council of the City of Lewes.

I, Dennis Reardon, Secretary of the City Council of the City of Lewes, do hereby certify that the foregoing is a true and correct copy of the Resolution passed by the Mayor and City Council at its meeting on September 10, 2018 at which a quorum was present and voting throughout and the same is still in full force and effect.



Secretary of the City Council
of the City of Lewes

Exhibit A
Exhibit A-1