

**THE CITY OF LEWES
BOARD OF PUBLIC WORKS**

RESOLUTION No. 15-001

AUTHORIZING THE TRANSFER OF CASH PROCEEDS TO THE
PAYING AGENT FOR THE 2005 BONDS TO DEFEASE THE
BOARD'S OBLIGATION FOR PAYMENT THEREOF; AND
AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, The City of Lewes, Delaware (the "City"), a municipality of the State of Delaware (the "State"), has heretofore issued its General Obligation Bonds, Series 2005 in the aggregate principal amount of \$19,500,000 (the "2005 Bonds") pursuant to a Project Funding and Paying Agent Agreement, as amended (the "Agreement") by and among the City, the Board of Public Works of the City (the "Board") and The Bank of New York, as Paying Agent for the 2005 Bonds (the "2005 Paying Agent"); and

WHEREAS, the proceeds of the 2005 Bonds, and the debt service due on them, were allocated between the City and the Board to finance various capital projects pursuant to each's respective Capital Improvement Programs; and

WHEREAS, pursuant to a First Supplement to the Project Funding and Paying Agent Agreement dated December 1, 2011 (the "First Supplement") by and among the City, the Board and the 2005 Paying Agent, the City and the Board established an escrow account, held by the 2005 Paying Agent for the benefit of the bondholders of the 2005 Bonds, to partially refund \$3,345,000 of the 2005 Bonds maturing in the years 2016 through and including 2030 (collectively, the "Callable 2005 Bonds") on January 15, 2015; and

WHEREAS, also pursuant to the First Supplement, the City and the Board reallocated the debt service requirements on the outstanding 2005 Bonds between the City and the Board to reflect prior transfers of excess proceeds remaining from the initial allocation of 2005 Bonds to the Board; and

WHEREAS, as a result of such reallocation, the Board is responsible for the debt service on \$2,751,765 aggregate principal amount of outstanding Callable 2005 Bonds; and

WHEREAS, the City and the Board have now determined to undertake a refunding project which will be financed using cash proceeds from the Board together with proceeds of the a proposed bond issuance by the City of its General Obligation Refunding Bonds, Series of 2015 (the "2015 Bonds"), to: (1) currently refund all of the City's remaining outstanding Callable 2005 Bonds (remainder amount currently outstanding in the aggregate principal amount of \$10,090,000); and (2) pay the costs associated with issuing the 2015 Bonds; and

WHEREAS, the Callable 2005 Bonds will be optionally redeemed on a future date to be determined by the City (such future date referred to herein as the “Redemption Date”); and

WHEREAS, the Board now deems it in the best interests of the Board to (i) authorize the release of cash reserves of the Board equal to the debt service due on the Board’s allocable portion of the Callable 2005 Bonds to and including the Redemption Date (the “Cash Proceeds”) and (ii) transfer such Cash Proceeds to the 2005 Paying Agent on or prior to the Redemption Date; and

WHEREAS, the Board now desires to authorize the release of the Cash Proceeds to pay the Board’s allocable portion of debt service due on the Callable 2005 Bonds and transfer the same to the 2005 Paying Agent, and in order to facilitate the consummation of the transactions referred to herein, and to avoid the necessity of further actions by the Board as a whole in connection therewith, the Board also desires to authorize certain officers of the Board to act as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES and IT IS HEREBY RESOLVED, as follows:

Section 1. Authorization of Release and Transfer of Cash Proceeds. The Board hereby authorizes (i) the release of Cash Proceeds in the amount of \$2,751,765 plus the interest costs up to and including the Redemption Date and (ii) the transfer of such monies to the 2005 Paying Agent on or prior to the Redemption Date for purposes of redeeming a portion the Callable 2005 Bonds on the Redemption Date, all as described in the recitals to this Resolution.

Section 2. Officers Authorized to Act. The President or Vice President and Secretary or Treasurer are hereby authorized and directed to execute, on behalf of the Board, and take such action deemed necessary to effectuate the intent of this Resolution. In the event that the President or Vice President or the Secretary/Treasurer of the Board shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they may be authorized to take pursuant to this Resolution, the General Manager of the Board is hereby authorized and directed to execute documents, or otherwise to act on behalf of the Board in their stead.

Section 3. Further Action. The proper officers of the Board are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices, if required, in order to consummate the transactions described in this Resolution.

Section 4. Repealer. All resolutions and parts of resolutions heretofore adopted to the extent that the same are inconsistent herewith are hereby repealed.

Section 5. Effective Date. This Resolution shall take effect on the earliest date permitted by law.

**THE CITY OF LEWES
BOARD OF PUBLIC WORKS**

CERTIFICATION OF RESOLUTION

The undersigned do hereby certify that the foregoing resolution is a true and correct copy of the Resolution duly adopted by a majority of the Board of Public Works of The City of Lewes at a duly called regular meeting on January 28, 2015.

VOTE ON RESOLUTION

Aye

Nay

Wendell Alfred, President

D. Preston Lee, Vice President

A. Thomas Owen, Secretary

Jack Leshner, Treasurer

Nancy Levenson, Assistant Treasurer

President

Attest:

Secretary