

RESOLUTION 2012-08

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEWES BOARD OF PUBLIC WORKS
AUTHORIZING A LOAN TO THE CITY OF LEWES IN THE AMOUNT OF
TWO MILLION ONE HUNDRED AND FIFTY THOUSAND DOLLARS
FOR THE PURCHASE OF REAL PROPERTY IDENTIFIED AS
SUSSEX COUNTY TAX MAP AND PARCEL NO. 3-35-8.15-40.00,
WHERE THE LEWES PUBLIC LIBRARY IS ANTICIPATED TO EXPAND.**

WHEREAS, pursuant to Section 4.16 of the Charter of the Board of Public Works, being Chapter 10, Volume 77, Laws of Delaware as amended, the Board of Public Works has the authority to "invest surplus funds of the BPW in securities that are safe and authorized pursuant to the BPW's investment policies and by Board resolution";

WHEREAS, Section IV(H) of the BPW Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds provides that a permissible investment of resources of the Cash Reserve Account are "Taxable and tax-exempt securities issued by state and local governments and public authorities in the U.S.";

WHEREAS, the City of Lewes, with the assistance of the Greater Lewes Foundation, has identified real property adjacent to the present location of the Lewes Public Library, identified as Sussex County Tax Map and Parcel Number 3-35-8.15-40.00 (the "Property") as a potential site for public uses and purposes, including the expansion of the Lewes Public Library;

WHEREAS, the City desires to purchase from the owner, Thompson & Thompson, LLC, and the owner desires to sell to the City the Property;

WHEREAS, the City desires to borrow a portion of the purchase funds from the BPW and the BPW desires to loan a portion of the purchase funds in the amount of Two Million One Hundred and Fifty Thousand Dollars (\$2,150,000.00) in accordance with the Promissory Note attached hereto as Exhibit A; and

WHEREAS, the Board of Directors of the Board of Public Works recognize the inherent educational and recreational benefits to the City's inhabitants of having a public library located within the municipal boundaries, and therefore desire to support the expansion of the Lewes Public Library within the municipal boundaries where, as here, such support is in harmony with the BPW Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds.

46 **NOW, THEREFORE, BE IT RESOVED BY THE BOARD OF DIRECTORS OF**
47 **THE LEWES BOARD OF PUBLIC WORKS, IN SESSION MET THIS 20TH DAY OF**
48 **DECEMBER, 2012, THAT:**
49

50 **Section 1.** The President of the Board of Directors of the Lewes Board of Public Works
51 shall be and is hereby authorized and directed to take any and all actions and execute any and all
52 documents necessary or desired to complete a loan to the City of Lewes in the amount of Two
53 Million One Hundred and Fifty Thousand Dollars (\$2,150,000.00) in accordance with the
54 Promissory Note attached hereto as Exhibit A.
55

56 **Section 2.** If any provision of this Resolution shall be deemed or held to be invalid or
57 unenforceable for any reason whatsoever, then such invalidity or unenforceability shall not affect
58 any other provision of this Resolution which may be given effect without such invalid or
59 unenforceable provision, and to this end, the provisions of this Resolution are hereby declared to
60 be severable.
61

62 **Section 3.** This Resolution shall take effect immediately upon its adoption by the Board
63 of Directors of the Lewes Board of Public Works.
64

65 Adopted by the Board of Directors
66 of the Lewes Board of Public Works
67 26 Dec., 2012
68
69

70 I, D. Preston Lee, P.E., Secretary of the Board of Directors of the Lewes Board of Public
71 Works, do hereby certify that the foregoing is a true and correct copy of the resolution passed by
72 Board of Directors of the Lewes Board of Public Works at its regular meeting
73 on 20 Dec. 2012, at which a quorum was present and voting throughout and the same is
74 still in full force and effect.
75

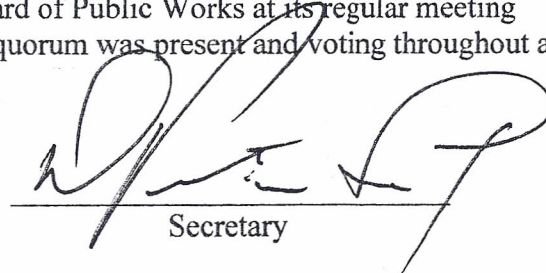
76
77
78 
79 Secretary

EXHIBIT A
Promissory Note

PROMISSORY NOTE

\$ 2,150,000

Lewes, Delaware

Date: December ____, 2012

FOR VALUE RECEIVED, **THE CITY OF LEWES**, a municipal corporation of the State of Delaware, ("Debtor") promises to pay to the order of **THE LEWES BOARD OF PUBLIC WORKS** ("Creditor") the principal sum of **TWO MILLION ONE HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (\$2,150,000.00)** plus interest, as hereinafter provided according to the following terms:

The initial rate interest on the unpaid principal balance shall be one one-hundredth of a percent (0.01%) per annum. The interest rate will be adjusted quarterly to match the rate of return on investments that Creditor invests with The Chesapeake Group at UBS Financial Services; provided, however, that the maximum interest rate shall be ten percent.

The entire unpaid principal balance, together with all unpaid interest accrued thereon, shall be due and payable in full on December 27, 2014 ("the Maturity Date").

Debtor may prepay this note in whole or in part, at any time, and from time to time, without premium or penalty.

If at any time Debtor is in default for a period of thirty (30) days or more of any principal amount or interest due hereunder, or if Debtor should become insolvent, make a general assignment for the benefit of creditors or file a voluntary petition in bankruptcy, or if a petition in bankruptcy should be filed against Debtor, at the option of the holder, the entire unpaid balance of this note shall immediately become due and payable.

The terms of this note shall be binding upon Debtor and inure to the benefit of Creditor, as well as the respective heirs, representatives, successors and assigns of both parties, as the case may be. This note shall be constructed and governed in accordance with Delaware law.

Debtor waives the benefit of any exemption laws of Delaware or any other jurisdiction and waives presentment, protest, and demand, notice of protest, demand and dishonor, and nonpayment of this note and agrees to pay all reasonable costs of collection when incurred, including reasonable attorneys' fees. No extension of the time for

the payment of this note or any installment of principal or interest hereof made by agreement with any person now or hereafter liable for the payment of this note shall operate to release, discharge, modify, change, or affect the original liability under this note, either in whole or in part of any of the undersigned not a party to such agreement.

DULY EXECUTED this 20TH day of DECEMBER, 2012

Witness:

The City of Lewes

By: Fred W. Beaufait

Name: Fred W. Beaufait

Title: City Council Secretary

By: James L. Ford, III (SEAL)

Name: James L. Ford, III

Title: Mayor