

Resolution No. 22- 005

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES AUTHORIZING A REVOLVING LINE OF CREDIT FROM FULTON BANK

WHEREAS, the Charter for the Board of Public Works of the City of Lewes (the "Lewes BPW"), being Chapter 10, Volume 77, Laws of Delaware, as amended (the "Lewes BPW Charter"), grants the Lewes BPW authority, responsibility, supervision, and control over current or future utility systems established within the Lewes BPW Service Area;

WHEREAS, Section 4.14.2 of the Lewes BPW Charter grants the Lewes BPW the power to borrow on the anticipated revenues of the Lewes BPW in order to provide for the expenses of maintenance, replacement, and operation of the utility system of the Lewes BPW;

WHEREAS, Section 4.14.2 of the Lewes BPW Charter requires the Lewes BPW to repay a minimum of ten percent (10%) of the outstanding principal, per fiscal year, for any sum of money borrowed on the faith and credit of the Lewes BPW, and any such sum of money borrowed shall be completely repaid ten (10) fiscal years of the original borrowing (the "Principal Repayment Obligation");

WHEREAS, Fulton Bank, N.A. ("Fulton Bank") is willing to provide a revolving credit facility in the maximum outstanding principal amount of \$3,000,000.00, with a variable interest rate of SOFR plus 2.00%, and a minimum interest rate of 2.15%, with accrued interest to be paid monthly, and the entire principal balance to be paid upon demand by Fulton Bank, but in any event no later than August __, 2032, unless accelerated in accordance with the terms of the General Obligation Note Series 2022, to be made by the Lewes BPW to the order of Fulton Bank (the "Note"), and the Loan Agreement between the Lewes BPW and Fulton Bank (the "Loan Agreement");

WHEREAS, the Board further desires to authorize any and all actions necessary or desired to execute any other documents which are deemed necessary or appropriate to carry out the intent of this Resolution; and

WHEREAS, the Board deems it in the best interest of the ratepayers to open the line of credit with Fulton Bank to ensure that the Lewes BPW has sufficient funds to provide for the expenses, maintenance, replacement, and operation of the utility system.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEWES BOARD OF PUBLIC WORKS, IN SESSION MET THIS 24TH DAY OF AUGUST, 2022, THAT:

Section 1. The Board hereby approves and authorizes the Lewes BPW to enter into the Note and the Loan Agreement with Fulton Bank, to establish a revolving credit facility in the

47 maximum outstanding principal amount of \$3,000,000.00, with a variable interest rate of SOFR
48 plus 2.00%, under the terms provided in the Note and Loan Agreement, subject to the Principal
49 Repayment Obligation as set forth in Section 4.14.2 of the Lewes BPW Charter.
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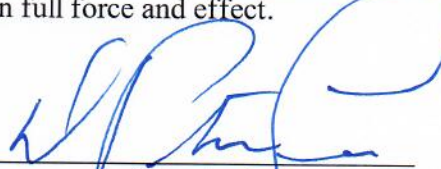
51 **Section 2.** The President or Vice President and Secretary or Treasurer are hereby
52 authorized and directed to execute, on behalf of the Board, the Note and the Loan Agreement and
53 any such other documents or instruments as shall be required by Fulton Bank in connection with
54 the revolving credit facility, and take such action deemed necessary or appropriate to effectuate
55 the intent of this Resolution. In the event that the President or Vice President or the Secretary or
56 Treasurer of the Board shall be absent or otherwise unavailable for the purpose of executing
57 documents, or for the purpose of taking any other action which they may be authorized to take
58 pursuant to this Resolution, the General Manager of the Board is hereby authorized and directed
59 to execute documents, or otherwise to act on behalf of the Board, in their stead.
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61 **Section 3.** The proper officers of the Board are hereby authorized and directed to take
62 all such action, execute, deliver, file and/or record all such documents, publish all notices, if
63 required, in order to consummate the transactions described in this Resolution.
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65 **Section 4.** This Resolution will take effect immediately upon its adoption by the Board
66 of Directors of the Lewes Board of Public Works.
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68 Adopted by the Board of Directors
69 Of the Lewes Board of Public Works
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73 I, D. Preston Lee, P.E., Secretary of the Board of Public Works of the City of Lewes, do
74 hereby certify that the foregoing is a true and correct copy of the Resolution passed by the Board
75 of Directors of the Lewes BPW at its meeting on August 24, 2022, at which meeting a quorum
76 was present and voting throughout and the same is still in full force and effect.
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Secretary