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Resolution No. 23- 011

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES AUTHORIZING THE EXECUTION OF AN ALLONGE TO THE DEMAND NOTE SERIES 2022 IN CONNECTION WITH 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") has provided to the Lewes BPW 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, in accordance with the terms of the Demand Note Series 2022, made by the Lewes BPW to the order of Fulton Bank, and dated December 27, 2022 (the "Note"), and the Loan Agreement between the Lewes BPW and Fulton Bank, dated as of December 27, 2022 (the "Loan Agreement");

WHEREAS, Fulton Bank has requested that the Lewes BPW execute an Allonge to the Note (the "Allonge"), pursuant to which the Lewes BPW will confirm that repayment of the facility will be made in accordance with the Lewes BPW Charter and By-Laws; and

WHEREAS, the Board deems it in the best interest of the ratepayers to execute the Allonge.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEWES BOARD OF PUBLIC WORKS, IN SESSION MET THIS 23RD DAY OF AUGUST, 2023, THAT:

46 **Section 1.** The Board hereby approves and authorizes the Lewes BPW to enter into
47 the Allonge with Fulton Bank, to amend the Note. The terms of the Allonge are consistent with
48 the Principal Repayment Obligation as set forth in Section 4.14.2 of the Lewes BPW Charter.
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50 **Section 2.** The President or Vice President and Secretary or Treasurer are hereby
51 authorized and directed to execute, on behalf of the Board, the Allonge and any such other
52 documents or instruments as shall be required by Fulton Bank in connection with the revolving
53 credit facility, and take such action deemed necessary or appropriate to effectuate the intent of
54 this Resolution. In the event that the President or Vice President or the Secretary or Treasurer of
55 the Board shall be absent or otherwise unavailable for the purpose of executing documents, or for
56 the purpose of taking any other action which they may be authorized to take pursuant to this
57 Resolution, the General Manager of the Board is hereby authorized and directed to execute
58 documents, or otherwise to act on behalf of the Board, in their stead.
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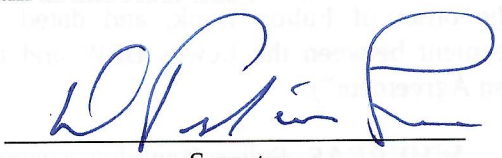
60 **Section 3.** The proper officers of the Board are hereby authorized and directed to take
61 all such action, execute, deliver, file and/or record all such documents, publish all notices, if
62 required, in order to consummate the transactions described in this Resolution.
63

64 **Section 4.** This Resolution will take effect immediately upon its adoption by the
65 Board of Directors of the Lewes Board of Public Works.
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67 Adopted by the Board of Directors
68 Of the Lewes Board of Public Works
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72 I, D. Preston Lee, P.E., Secretary of the Board of Public Works of the City of Lewes, do
73 hereby certify that the foregoing is a true and correct copy of the Resolution passed by the Board
74 of Directors of the Lewes BPW at its meeting on August 23, 2023, at which meeting a quorum
75 was present and voting throughout and the same is still in full force and effect.
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80 
Secretary