

"A Historic Past"



"A Bright Future"

CITY OF DELAWARE CITY
407 Clinton Street – P.O. Box 4159
Delaware City, Delaware 19706
302-834-4573

RESOLUTION 08-0616-04

**RESOLUTION APPROVING THE ISSUANCE OF CERTAIN BONDS BY
DELAWARE CITY FIRE COMPANY**

WHEREAS, the Delaware City Fire Company (the "Company") is a fire company organized and existing under the laws of the State of Delaware; and

WHEREAS, the Company has historically provided and continues to provide firefighting services to the City of Delaware City per written agreement (the "City"); and

WHEREAS, the Company has advised the City that the Company proposes to issue up to \$ 250,000 of bonds or notes of the Company (the "Bonds") to fund improvements to the Company's firehouse located at 815 5th Street, Delaware City, Delaware through the installation of solar panels (the "Project"); and

WHEREAS, it is the intent of the Company that the interest on its Bonds qualify for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 150 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to Sections 103 and 147 of the Code, interest on the Bonds will not qualify for exclusion from gross income of the owners thereof for federal income tax purposes unless the issuance of the Bonds is approved by the applicable elected representative of a governmental unit with which the Company has entered into an agreement, after a public hearing to consider the issuance of the Bonds has been conducted by such governmental unit following reasonable public notice; and

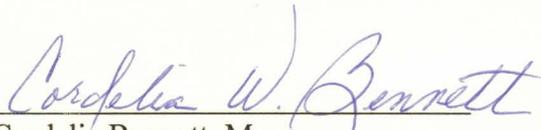
WHEREAS, pursuant to state statute and by written agreement, the Company is

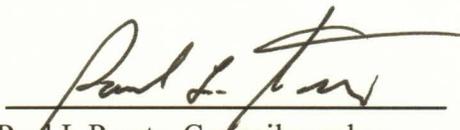
the exclusive volunteer fire company providing fire suppression services to the City and the City desires to assist the Company in the issuance of the Bonds of the Company .

NOW THEREFORE BE IT RESOLVED THAT, the City Council of the City of Delaware City Delaware for the sole purpose of qualifying the interest payable on the Company's Bonds for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, does hereby approve the issuance of the Bonds by the Company in a maximum aggregate principal amount of up to \$250,000 for the purpose of financing a portion of the costs of the Project, provided, that the Bonds shall be an obligation of the Company and shall never be a debt of the City, and the City shall not be liable for any payment on the Bonds.

THE UNDERSIGNED of the City of Delaware City do hereby certify that the above resolutions were passed at meeting of Delaware City, duly called and convened, held on the 16th day of June, 2008, at which a quorum was present and voting throughout and that same is still in full force and effect.

CITY OF DELAWARE CITY

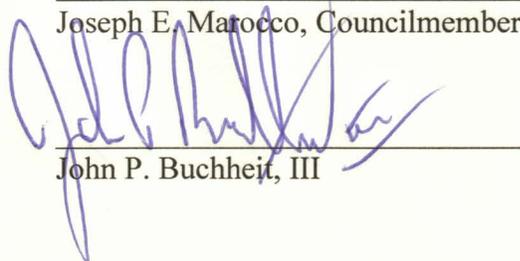

Cordelia Bennett, Mayor


Paul L. Parets, Councilmember


Ronald R. Graham II, Councilmember


Joseph E. Marocco, Councilmember


John W. Martin, Councilmember


John P. Buchheit, III


Dawn K. Gwynn, City Secretary

AGREEMENT

THIS AGREEMENT made as of this 16 day of June, 2008 by and between the City of Delaware City, Delaware (the "City"), a municipality and political subdivision of the State of Delaware and the Delaware City Volunteer Fire Department, Inc. (the "Company"), a non-profit corporation of the State of Delaware.

WHEREAS, the Company has provided fire protection and prevention services to the City as currently regulated pursuant to State (the "Area"), and

WHEREAS, the City and the Company both desire to continue in this relationship, and

WHEREAS, the Company desires to borrow funds to pay a portion of the costs of certain renovations to its firehouse, and

WHEREAS, under Section 150 of the Internal Revenue Code in order for the borrowing to be accorded favorable federal income tax treatment, the Company must have a written agreement with the City to furnish fire fighting services to the Area.

NOW THEREFORE, in consideration of their mutual promises and obligations, the parties thereto, intending to be legally bound, hereby agree as follows:

- i) The Company shall continue to provide and furnish fire protection, fire prevention and fire fighting services to the Area from the date of this Agreement on a volunteer basis.
- ii) The City shall continue to allow the Company to provide and furnish fire protection, fire prevention and fire fighting services to and within the Area from this date.
- iii) The City acknowledges that the Company is the exclusive fire department for the Area established pursuant to State of Delaware ("State") law by the State Fire Prevention Commission and shall not enter into a written agreement with any other person or entity for the provision of fire fighting services to or within the Area except in compliance with mutual aid agreements with the Company or in compliance with applicable State of Delaware law.

iv) The parties hereto agree that the Area shall automatically change and conform if any changes are required thereto pursuant to 16 Del.C. § 6619.

5. The parties hereto acknowledge that 16 Del.C. § 6619 vests in the State Fire Prevention Commission the power and the authority to determine whether any new fire companies or substations shall be authorized in the State, to prohibit the suspension of fire protection services in the State, to confirm the established geographical boundaries of areas served by all existing fire companies in the State and to resolve boundary disputes between or among such fire companies in the State. Notwithstanding anything in this Agreement to the contrary, the City is not hereby assuming any power, authority or responsibility with respect to any of the aforementioned powers or authority of the State Fire Prevention Commission.

6. The provisions of this Agreement shall be binding on the successors of the parties hereto.

7. The rights, privileges and obligations of the parties hereto shall not be assignable.

8. This Agreement shall not be nor be implied to be a waiver of any limitation of the liability of the Company or the City as provided by statute or otherwise.

9. This Agreement shall continue in effect for a period of 10 years from the date hereof. Thereafter, it shall continue on a year to year basis unless and until terminated by either party in writing delivered to the other party at least 30 days before the expiration of that current term.

10. The Company hereby agrees to defend, indemnify and save the City and its officers, employees and agents harmless from and against, all liabilities, losses, damages, costs and expenses (including reasonable attorney fees), causes of action, suits, claims, demands and judgments of any nature arising from or in connection with its entry into this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals the day and year first above written.

CITY OF DELAWARE CITY, DELAWARE

By Cordelia W. Bennett

DELAWARE CITY VOLUNTEER FIRE CO.

By Waldemar W. Papp Jr.