

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE BY THE TOWN OF CAMDEN, DELAWARE OF UP TO \$3,000,000 MAXIMUM PRINCIPAL AMOUNT GENERAL OBLIGATION BONDS TO FINANCE OR REIMBURSE THE TOWN FOR THE COSTS FOR THE ACQUISITION OF LAND AND THE CONSTRUCTION OF A NEW TOWN HALL FOR THE TOWN OF CAMDEN AND COSTS ASSOCIATED THERETO

WHEREAS, The Council of The Town of Camden (the "Town"), a municipality and political subdivision of the State of Delaware, pursuant to Section 34, Chapter 125, Volume 74 Delaware Laws (as amended, the "Town Charter"), Resolutions adopted by the Town Council on July 12, 2004, July 22, 2004, October 2, 2006 and February 5, 2007 (the "Resolutions"), a favorable special election conducted on August 28, 2004 (the "Special Election") (such Resolutions and Special Election together with the Town Charter, the "Authorizing Acts") to partially finance or reimburse the Town for the costs of the acquisition of land and the design, construction and equipping of a new Town Hall for the Town and to pay costs of issuance in connection herewith (the "Project"); and

WHEREAS, the Authorizing Acts provides that the Town may issue general obligation bonds in the aggregate principal amount of up to \$3,000,000 for the Project;

WHEREAS, pursuant to this Resolution the Town wishes to sell the bond to the United States of America (acting by and through the United States Department of Agriculture, Rural Housing Services) ("RHS"); and

WHEREAS, as a prerequisite to the sale of the Bond to RHS, the RHS required the Town to obtain interim financing for the Project; and

WHEREAS, pursuant to the Authorizing Acts, the Town issued its Interim Note in anticipation of the sale of the Bond and awarded the sale of such Interim Note to Wilmington Trust Company; and

WHEREAS, the RHS requirements have been met and the Town desires to issue the Bond and consummate the sale of the Bond to the RHS and use the proceeds of the sale to retire the Interim Note, to establish the form of the Bond, the time of payment with respect thereto, the interest rate thereon, the series thereof, the maturity thereof, the registration therefor, the call features thereon and all other relative and appurtenant matters pertaining thereto.

NOW THEREFORE: THE COUNCIL OF THE TOWN OF CAMDEN,
DELAWARE RESOLVES as follows:

Section 1. Pursuant to the Act, the Council of The Town of Camden, Delaware (the "Town") shall issue its general obligation bond in a maximum aggregate principal amount not to exceed \$3,000,000 (the "Bond") for the purpose of financing or reimburse the Town, in part, for the costs to construct the Project, and to pay costs associated with issuing the Bond.

Section 2. The full faith and credit of the Town shall be pledged to the punctual payment of the principal of and interest and fees on the Bond. The principal of, premium, if any, and interest on the Bond, if not paid from other sources, shall be paid by ad valorem taxes levied on all real property subject to taxation by the Town without limitation as to rate or amount.

Section 3. The Bond shall be dated as of the date of Closing and shall be designated: "\$3,000,000 General Obligation Bond (Town Hall Project), Series 2009-RHS." Principal and interest on the Bond shall be payable as provided in the form of Bond attached hereto. The Bond shall bear interest at the rate of 4.375% per annum.

Section 4. The Bond shall be in fully registered form. Principal and interest on the Bond shall be payable in lawful money of the United States of America and paid in the manner as provided in the form of Bond attached hereto as Exhibit A. The Town shall serve as the paying agent, registrar and transfer agent for the Bond provided that the Town Council may appoint one or more agents to serve in those capacities as successor to the Town.

Section 5. The Bond shall be signed by the Mayor of the Town by his or her manual signature or a facsimile thereof and countersigned by the manual signature of the Secretary. The official seal of the Town shall be imprinted in facsimile or impressed on the Bond.

Section 6. The Bond shall be prepayable or redeemable in whole or in part at any time without penalty. In the event that the Bond is called for redemption prior to maturity, notice thereof shall be given by first class mail, postage prepaid to the registered owner thereof at the address shown on the registration books not more than (60) days nor less than (30) days prior to the date fixed for redemption. The Bond will cease to bear interest on the specified redemption date provided funds for its redemption are on deposit at the place of payment at that time as more fully set forth in the Bond.

Section 7. Pursuant to the Resolution dated February 5, 2007 and bidding process conducted pursuant thereto, the sale of the Bond shall be awarded to the United States of America, Rural Housing Services ("RHS"). The Town hereby adopts the Loan Resolution required by the RHS (RD 1942-47) as appended hereto and hereby directs the Mayor to execute such Loan Resolution on behalf of the Town.

Section 8. The money raised by the issuance of the Bond, after the payment of charges and expenses connected with the preparation, sale and issuance thereof, shall be expended only for the purposes authorized in the Authorizing Acts, including repayment of the Interim Note.

Section 9. The power to execute any documents, and the power to take any further action and do all things necessary, with respect to the sale, issuance and delivery of the Bond is hereby delegated to the Mayor and the Town Secretary subject to the provisions of the Authorizing Acts and this Resolution.

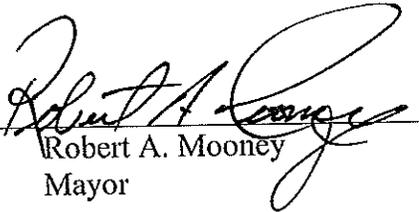
Section 10. The Town covenants for the benefit of the holder of the Bond (a) that no

use of the proceeds of the Bond or the earnings thereon will be made, and no other action will be taken, which would cause the Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended, (the “Code”) (b) that all action with respect to the Bond required to be taken to avoid characterization of the Bond as an “arbitrage bond” under Section 148 of the Code shall be taken (c) that the Town will take all steps necessary and within its control to ensure that interest on the Bond is not included in gross income of the holder of the Bond for purposes of federal income taxation and (d) that the Town will take no action to cause the Bond to become a “private activity bond” as that term is used in Section 141(a) of the Code.

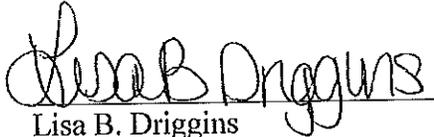
Section 11. To the extent there is any reference to “Rural Utilities Service” in the Resolutions, those Resolutions are amended and the term “Rural Housing Services” shall replace all references to “Rural Utilities Service.” All other terms and conditions in the Resolutions remain the same and are hereby ratified.

I, THE UNDERSIGNED, Mayor of The Town of Camden, Delaware, do hereby certify that this resolution was passed at a Special Council meeting of the Town Council, duly called and convened, held on the ___ day of April, 2009, at which a quorum was present and voting throughout and that same is still in full force and effect.

THE TOWN OF CAMDEN

By: 
Robert A. Mooney
Mayor

Adopted by the Council of The
Town of Camden, Delaware
April __, 2009


Lisa B. Driggins
Town Clerk
The Town of Camden, Delaware

Bond Resolution
10194076