

TOWNSHIP OF MOUNT JOY
Adams County, Pennsylvania

RESOLUTION
NO. 19 of 2008

A RESOLUTION
OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF MOUNT
JOY, ADAMS COUNTY, PENNSYLVANIA, AUTHORIZING AND
APPROVING AN AMENDMENT TO THAT CERTAIN BANK LOAN
PROPOSAL BY AMENDING A CERTAIN SECTION THEREOF;
AUTHORIZING CERTAIN OTHER MATTERS RELATING TO SUCH
BANK LOAN PROPOSAL; PROVIDING FOR AN EFFECTIVE DATE
AND A GENERAL REPEALER.

ADOPTED DECEMBER 18, 2008

WHEREAS, The Township of Mount Joy, Adams County, Pennsylvania (the "Township") is a township of the second class existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, The Township received from Community Banks, as purchaser, with an office in Gettysburg, Pennsylvania, now, pursuant to a bank merger, Susquehanna Bank (the "Bank"), a proposal, dated August 12, 2005, for a loan in the principal amount of \$2,000,000 (the "Loan"), which proposal was subsequently amended and restated by a proposal, dated September 15, 2005 (the "Loan Proposal"); and

WHEREAS, The Loan Proposal was thereafter amended, in writing, by an addendum thereto regarding, *inter alia*, interest rate options, dated November 28, 2005 (the "Loan Proposal Addendum" and collectively, the "Note Purchase Proposal"); and

WHEREAS, Proceeds of the Loan were to be applied to pay the costs of the second phase of the Township's Agricultural Preservation Project (the "2006 Capital Project"); and

WHEREAS, By enactment of Ordinance 2005-13 on December 15, 2005 (the "Ordinance"), the Township authorized and approved, *inter alia*, issuance of the Township's General Obligation Note, Series of 2006 in the principal amount of \$2,000,000 (the "Note") and acceptance of the Bank's Note Purchase Proposal; and

WHEREAS, The Township issued the Note to the Bank on January 25, 2006 with the following terms: an interest-only period of twenty-four (24) months during which period proceeds of the Note may be drawn down by the Township, a term of twenty (20) years with a maturity date of January 25, 2026 and with a principal amortization period scheduled to begin January 25, 2008; and

WHEREAS, Pursuant to a request from the Township, the Bank, by letter dated January 16, 2008, agreed to amend the Note Purchase Proposal and the terms of the Loan by extending the draw down for an additional period of twelve (12) months to January 25, 2009 (the "Second Loan Proposal Addendum"); and

WHEREAS, The Township, by Resolution duly adopted on January 17, 2008, authorized an amendment to Note Purchase Proposal and to the terms of the Loan by approving the Note Purchase Proposal, as amended by the Second Loan Proposal Addendum, and thereby authorizing extension of the draw down for an additional period of twelve (12) months to January 25, 2009; and

WHEREAS, The Township has, again, made a verbal request to the Bank to extend the draw down period for an additional period of twelve (12) months, ending January 25, 2010 by amending Section (ii) of the Note Purchase Proposal, as amended by the Second Loan Proposal Addendum (hereinafter, the Second Loan Purchase Addendum is incorporated into and made a part of the Note Purchase Proposal); and

WHEREAS, The Bank has presented to the Township, by letter, a third addendum to the Note Purchase Proposal, dated December 16, 2008, whereby the Note Purchase Proposal and the terms of the Loan would be amended to extend the draw down period for an additional period of twelve (12) months, ending January 25, 2010 (the "Third Loan Proposal Addendum"); and

WHEREAS, The Township desires to approve and accept the Third Loan Proposal Addendum and, thereby, amend the Note Purchase Proposal to extend the draw down period for an additional period of twelve (12) months, ending January 25, 2010.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the Township of Mount Joy, Adams County, Pennsylvania, that:

1. The Township approves and accepts the Third Loan Proposal Addendum presented to the Board of Supervisors. Proper officers of the Township are authorized and directed to execute and attest, and affix the Seal of the Township thereto.

2. Pursuant to the Third Loan Proposal Addendum, Section (ii) of the Note Purchase Proposal is amended to read, as follows:

"Section (ii) The duration of the initial draw period of the Note, as defined in term #2, of the Proposal shall not exceed the period ending January 25, 2010. The Note shall be dated as of and issued on January 25, 2009. The interest-only period shall be for a term of twelve (12) months, ending January 25, 2010."

3. The Third Loan Proposal Addendum shall not be construed to amend or alter the final maturity date of the Note established by the Note Purchase Proposal as January 25, 2026.

4. A draw on the Loan in the minimum principal amount of \$50,001.00 is authorized and approved. Proper officers of the Township are authorized and directed to executed, attest and seal Requisition Number 1 for the approved amount. The Secretary of the Township is hereby authorized and directed to deliver a copy of Requisition Number 1 to Bank together with appropriate instructions with respect to the deposit of the proceeds.

5. Proper officers of the Township are authorized and directed to file, or cause the filing, with the United States Department of the Treasury of the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, concurrent with or immediately after receipt of the proceeds of the Loan requisitioned as authorized in Section 3 of this Resolution.

6. The Secretary of the Township is hereby authorized and directed to deliver a copy of this Resolution to Bank.

7. This Resolution shall become effective immediately upon its adoption. Any resolutions to the extent inconsistent herewith are hereby repealed.

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DULY RESOLVED AND ADOPTED by the Board of Supervisors of the Township of Mount Joy, Adams County, Pennsylvania, in lawful session assembled, this 18th day of December 2008.

TOWNSHIP OF MOUNT JOY



Chairman, Board of Supervisors

ATTEST:



Secretary

[SEAL]