

TOWNSHIP OF MOUNT JOY
RESOLUTION NO. 8 of 2003

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF MOUNT JOY DECLARING OFFICIAL INTENT TO ISSUE BONDS; APPOINTING BALLARD SPAHR ANDREWS & INGERSOLL, LLP AS BOND COUNSEL; APPOINTING LEGG MASON WOOD WALKER INCORPORATED AS UNDERWRITER; AUTHORIZING THE DISTRIBUTION OF THE PRELIMINARY NEIGHBORHOOD IMPROVEMENT DISTRICT PLAN AND AUTHORIZING THE PUBLICATION OF A NOTICE FOR A PUBLIC HEARING RELATED TO SUCH PLAN AND THE ENACTMENT OF AN ORDINANCE

WHEREAS, the Township of Mount Joy, Pennsylvania (the "Issuer") is a municipal corporation and is duly organized and existing pursuant to the constitution and the laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Issuer will create a Neighborhood Improvement District ("NID") within its geographic boundaries pursuant to the Neighborhood Improvement District Act, Act No. 2000-130 (the "Act") for the purpose of promoting the economic and general welfare of the NID and the Issuer; and

WHEREAS, the Issuer desires to finance certain capital expenditures to be located in the NID relating to highway and road improvements, sewage and storm water management upgrades and other public infrastructure improvements (the "Project"); and

WHEREAS, the Project will facilitate the development of approximately 128 acres of undeveloped land in the Township for a residential development; and

WHEREAS, the Issuer wishes to appoint Ballard Spahr Andrews & Ingersoll, LLP as bond counsel and Legg Mason Wood Walker Incorporated as underwriter with respect to any bonds issued to finance the Project; and

WHEREAS, in compliance with the procedural requirements to create a NID pursuant to the Act, the Issuer desires to authorize the distribution to all property owners within the geographical boundaries of the proposed NID a preliminary Neighborhood Improvement District Plan (the "Plan"); and

WHEREAS, in further compliance with the requirements of the Act, the Issuer desires to authorize the publication of a Notice for Public Hearing relating to the Plan which publication will also reflect the adoption of an ordinance approving the creation of the NID, the Plan, a methodology assessment and the designation of Red Rock Municipal Authority as the neighborhood improvement district management association to administer programs, improvements and services within the NID.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Township Supervisors that:

1. The Issuer hereby resolves and declares its intent under Treasury Regulation §1.150-2 to issue its bonds (the "Bonds") as permitted under the Act to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves, subject to the following conditions:

(a) The maximum principal amount of Bonds expected to be issued to finance the Project is \$6,400,000.

(b) Pending issuance of the Bonds, the Issuer may finance the Project with other funds which will be reimbursed with the proceeds of the Bonds, provided that (a) the Bonds shall not be used to reimburse any expenditure paid more than 60 days prior to the present date; (b) the Bonds shall not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds, or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and provided further that the limitations of this paragraph 2 shall not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation § 1.150-2(f).

(c) Issuance of the Bonds shall be subject to documentation acceptable to the officers of the Issuer.

2. The Issuer hereby approves the appointment of Ballard Spahr Andrews & Ingersoll, LLP as bond counsel and Legg Mason Wood Walker Incorporated as underwriter in connection with any Bonds issued to finance the Project.

3. The Issuer hereby approves the distribution of the Plan to all property owners within the geographic boundaries of the proposed NID and the publication of a notice of public hearing relating to the Plan and adoption of an ordinance approving the creation of a NID, the Plan, the assessment methodology and the appointment of Red Rock Municipal Authority as the neighborhood improvement district management association all in keeping with the provisions of the Act.

4. All prior acts of the officials, agents and employees of the Issuer which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

5. All other resolutions of the Issuer, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

6. This Resolution shall take effect immediately upon its passage.

RESOLVED AND ENACTED THIS 15th day of April, 2003 by the Board of Supervisors of the Township of Mount Joy, Pennsylvania.

ATTEST:

BOARD OF SUPERVISORS OF THE
TOWNSHIP OF MOUNT JOY


Secretary


Chair, Board of Supervisors

APPROVED:


Solicitor

THE LINKS AT GETTYSBURG
NEIGHBORHOOD IMPROVEMENT DISTRICT

Rate And Method of
Apportionment of Special Assessments

A. INTRODUCTION

A Special Assessment shall be imposed and Annual Assessments collected from real property within The Links at Gettysburg Neighborhood Improvement District through the application of the procedures described below. The Board of Supervisors hereby delegates to the Board of the Authority the responsibility to make all determinations in this Rate and Method of Apportionment of Special Assessments unless stated otherwise.

B. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means the Neighborhood Improvement District Act 73 P.S. §§ 831 et seq., as amended.

"Administrative Expenses" means the following costs directly related to the administration of the District: the actual costs of computing the Annual Payments; the actual costs of collecting the Annual Payments; the actual costs of remitting the Annual Payments to the Trustee; the actual costs of the Authority, Administrator, Township, and Trustee (including legal counsel) in the discharge of their duties related to the District; the costs of complying with arbitrage rebate requirements; the costs of complying with securities disclosure requirements; and any other costs in any way related to the administration and operation of the District, including, without limitation, the costs of official meetings of the Board of the Authority related to the District, the costs of legal counsel and other consultants and advisors, and costs related to commencing foreclosure and pursuing collection of delinquent Annual Payments.

"Administrator" means the person or entity responsible for determining the Annual Revenue Requirement and such other responsibilities as provided herein or in the Bond Indenture.

"Annual Assessment" means the portion of the Special Assessment due and payable each Tax Year as set forth in the Special Assessment Roll.

"Annual Assessment Rate" means, for any Tax Year, a percentage equal to the Annual Revenue Requirement divided by the current total of the Principal Portion of the Special Assessments.

“Annual Credit” means for each Tax Year the Annual Assessment for each Parcel less the Annual Payment for each Parcel.

“Annual Payment” means a portion of the Annual Assessment calculated as set forth in Section D.

“Annual Revenue Requirement” means, for any Tax Year, the sum of the following: (1) regularly scheduled debt service on the Bonds to be paid from the Annual Payments; (2) periodic costs associated with such Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; and (3) Administrative Expenses; less (4) any credits applied under the Bond Indenture, such as interest earnings on any account balances, and (5) any other funds available to the Bonds that may be applied to the Annual Revenue Requirement.

“Assessed Property” means, for any Tax Year, Parcels within the District other than Non-Benefited Property.

“Authority” means the Red Rock Municipal Authority, which has been designated by the Township as the Neighborhood Improvement District Management Association pursuant to the Act.

“Bond Indenture” means the indenture or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended and/or supplemented from time to time.

“Bonds” means any bonds or other debt, including refunding bonds, whether in one or more series, issued by the Township to finance the Public Improvements pursuant to the provisions of the Act.

“Board of the Authority” means the Board of the Red Rock Municipal Authority.

“Board of Supervisors” means the Board of Supervisors of Mount Joy Township.

“Class 1 Property” means property on which has or is intended to be built residential dwelling units.

“Class 2 Property” means property within the District other than Class 1 Property and Non-Benefited Property.

“Developed Property” means a Parcel of Assessed Property for which a building permit has been issued.

“District” means The Links at Gettysburg Neighborhood Improvement District as described in the Special Assessment Ordinance.

“District Map” means the map of The Links at Gettysburg Neighborhood Improvement District included in the Neighborhood Improvement District Plan.

“Equivalent Unit” means the estimated relationship between the classes of property and the benefit received from the Public Improvements for each type of property equal to the following amounts:

Class 1 Property	1.00 per dwelling unit
Class 2 Property	0.63 per hotel unit

“Improvement Area” means the following neighborhoods as shown on the District Map: The Lookout, Round Top, Battery Ridge, Powder Creek, Cavalry Chase, Garrison Falls, and the Retreat.

"Non-Benefited Property" means Parcels within the boundaries of the District owned by or irrevocably offered for dedication to the federal government, Commonwealth of Pennsylvania, the Township or any instrumentality thereof, the Authority, any non-profit corporation or entity, or any other public agency; easements that create an exclusive use for a public utility provider; Owner Association Property and property shown on the District Map not intended to be included in the District.

“Owner Association Property” means Parcels within the boundaries of the District owned by or irrevocably offered for dedication to a property owners’ association (if not used in a trade or business) and available for use by property owners in general.

"Parcel" means a lot or parcel with a tax map identification number assigned by Adams County, Pennsylvania for real property tax purposes.

“Principal Portion of the Special Assessment” means the portion of the Special Assessments equal to the outstanding Bonds. At the discretion of the Board of the Authority, the Principal Portion of the Special Assessments shall be allocated to Assessed Property either in the same manner as and pro rata to the Special Assessments as set forth in Section C hereof or within each Improvement Area as set forth in Section D.

"Public Improvements" means those improvements that the District has been authorized to provide.

"Special Assessment" means the Special Assessment imposed on Assessed Property pursuant to the Special Assessment Ordinance and the provisions of Section C.1., as shown in the Special Assessment Roll, as it may be reapportioned upon the subdivision of any Parcel according to the provisions of Section C.2. and as it may be reduced according to the provisions of Sections C.3. and C.4. The Special Assessments on all of the Parcels equal the original principal amount of the Bonds, interest payable on the Bonds for each year, and Administrative Expenses, as it is reduced each year pursuant to Section C.4. The Special Assessments are payable as the Annual Assessments as set forth herein and may be prepaid as set forth in Section I.

“Special Assessment Ordinance” means the Neighborhood Improvement District Ordinance of the Township, wherein The Links at Gettysburg Neighborhood Improvement District was created and the Special Assessments were authorized to be imposed and collected.

“Special Assessment Roll” means the document attached hereto as Appendix A-1 and A-2 as amended from time to time by the Township in accordance with the procedures set forth herein.

“Tax Year” means the period starting on each January 1 and ending on the following December 31.

“Township” means Mount Joy Township of the Commonwealth of Pennsylvania.

“Trustee” means the fiscal agent or trustee as specified in the Bond Indenture, including a substitute fiscal agent or trustee.

“Undeveloped Property” means Assessed Property other than Developed Property.

C. SPECIAL ASSESSMENTS

1. The Amount of the Special Assessments

The Special Assessment for each Parcel within the District is shown on Appendix A-2 attached hereto. The total of the Special Assessments equals the anticipated costs of the Public Improvements to be provided for the benefit of the property in the District, including any costs associated with the issuance and repayment of the Bonds. The Special Assessment on each Parcel is based on the Equivalent Units of each Parcel as a percent of the total of the Equivalent Units for all of the Parcels in the District. The Equivalent Units for each Parcel is based on an estimate of the numbers of dwelling units of each class anticipated to be built on each Parcel.

The Special Assessment for Parcels of Developed Property shall not be changed hereafter except pursuant to the provisions provided for herein. Upon a change in the estimate of the Equivalent Units of a Parcel of Undeveloped Property, the Board of the Authority may reapportion the Special Assessments on some or all of the Parcels of Undeveloped Property upon the unanimous request of the owners of the Parcels for which the Special Assessments are to be reapportioned. The reapportionment shall be made pursuant to the most current estimate of the Equivalent Units of each Parcel as a percent of the total of the Equivalent Units for the all of the Parcels for which the Special Assessments are to be reallocated.

The total of all Special Assessments shall not be reduced after the issuance of Bonds except as provided below.

2. Reapportionment of the Special Assessment Upon the Subdivision of a Parcel

Upon the subdivision of any Parcel, the Special Assessment of the Parcel prior to the subdivision shall be reallocated to each new Parcel in proportion to the Equivalent Units of each Parcel and the Special Assessment for the Parcel prior to the subdivision. The reapportionment of the Special Assessment shall be represented by the formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Special Assessment of the new Parcel
- B = the Special Assessment of the Parcel prior to the subdivision
- C = the Equivalent Units of the new Parcel
- D = the sum of the Equivalent Units for all of the new Parcels of Assessed Property that result from the subdivision

The computation of the Equivalent Units shall be calculated by the Administrator and confirmed by the Board of the Authority, based on the information available regarding the use of the Parcel, and the estimate as confirmed shall be conclusive as long as there is a reasonable basis for such determination. The number of dwelling units shall be based on the number of units expected to be built on the Parcel.

In all cases, the Special Assessments after the subdivision of a Parcel shall equal the sum of the Special Assessment before the subdivision of the Parcel.

3. Reduction in Special Assessments

If the Board of the Authority determines that the total actual costs to be incurred by the District, including the costs of the Public Improvements and the costs related to the issuance and repayment of Bonds are less than the total amount of the Special Assessments, then the Board of the Authority shall reduce the Special Assessments such that the sum of Special Assessments equals the total costs incurred or to be incurred. The Special Assessment shall be reduced, first, for any Parcel that has not been fully improved with the Public Improvements, for the Public Improvements not provided, including costs related to the repayment of the Bonds, and second, for every Parcel of Assessed Property in the District, by an equal percentage such that the sum of the resulting Special Assessment for every Parcel equals the actual costs to be incurred by the District, including any costs related to the repayment of the Bonds.

The Special Assessment as reduced according to the provisions of this section shall not be reduced to an amount that is less than the remaining payments on the Bonds and Administrative Expenses. The provisions of this section shall not prevent a reallocation of estimated costs between line items such that some costs are reduced and others increased without reducing the total of the Special Assessments.

4. Amortization of the Special Assessments

The Special Assessment applicable to any Parcel shall be reduced each year for the Annual Payment collected from each Parcel plus the Annual Credit for each Parcel.

D. THE ANNUAL ASSESSMENT

The Annual Assessment shall be allocated to each Parcel and each Parcel shall receive an Annual Credit as provided for in this section. The Annual Assessment collected from all of the Parcels each Tax Year shall be equal to the Annual Payments for all of the Parcels.

Commencing with the Annual Payment to be collected in the 2004 Tax Year and for each following Tax Year, the Administrator shall estimate and the Board of the Authority shall confirm the Annual Payment on each Parcel. The Annual Payment on each Parcel shall be equal to the Annual Assessment Rate multiplied by the Principal Portion of the Special Assessment for each Parcel. The Annual Payments as confirmed shall be collected from each Parcel of Taxable Property. The aggregate amount of the Annual Payments on all of the Parcels in any Tax Year shall equal the Annual Revenue Requirement for such Tax Year.

At the direction of the Board of the Authority, the Annual Revenue Requirement, Principal Portion of the Special Assessment, Annual Payment, Annual Credit, and Annual Assessment Rate may be calculated separately for each Improvement Area based on the Public Improvements provided as of each Tax Year for each Improvement Area.

In the event a Parcel is subdivided into new Parcels in a Tax Year prior to the payment of the Annual Payment, and a portion of the Parcel becomes Non-Benefited Property, the Annual Payment shall be collected on the Parcel or Parcels of Assessed Property based on the reapportionment of the Special Assessment pursuant to Section C.2. Prior to the reapportionment of the Special Assessment, the Annual Payment shall be a joint and several liability of each newly created Parcel of Assessed Property.

E. COLLECTION OF ANNUAL ASSESSMENT

Annual Assessments shall be collected at the same time as regular property taxes of the Township or as otherwise agreed to by the Township as permitted by the Act. Interest and penalties on the Annual Assessments shall be imposed in the same amount and in the same manner as interest and penalties under the Municipal Claim and Tax Lien Law (53 P. S. §7101 et seq.). In the event of any delinquencies related to the payment of the Annual Assessments, the Township shall file a claim in the prothonotary's office of Adams County at the same time and in the same form and collected in the same manner as municipal tax claims are filed and collected.

F. AMENDMENT OF THE SPECIAL ASSESSMENT ROLL

The Board of the Authority shall amend the Special Assessment Roll each Tax Year to reflect (i) the current Parcels in the District, (ii) the Special Assessment for each Parcel,

including any adjustments to the Special Assessments as provided for in Section C, (iii) the Annual Payment to be collected from each Parcel for the current Tax year, (iv) any changes in the Annual Assessments, (v) prepayments of the Special Assessments as provided for in Section I, and (vi) any other changes to the Special Assessment Roll.

G. ADMINISTRATIVE REVIEW

An owner of a lot claiming that a calculation error has been made in the Special Assessment Roll, including the calculation of the Annual Payment, shall send a written notice describing the error to the Board of the Authority not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Board of the Authority (or the Administrator at the direction of the Board of the Authority) shall promptly review the notice, and if necessary, meet with the property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Board of the Authority determines that a calculation error has been made that requires the Special Assessment Roll to be modified or changed in favor of the property owner, a cash refund may not be made for any amount previously paid by the owner (except for the final year during which the Annual Assessment shall be collected), but an adjustment may be made in the amount of the Annual Assessment to be paid in the following year. The decision of the Board of the Authority regarding a calculation error relating to the Special Assessment Roll shall be conclusive as long as there is a reasonable basis for the determination of the District.

H. TERMINATION OF ANNUAL ASSESSMENTS

Except for any delinquent Annual Assessments and related penalties and interest, Annual Assessments shall be imposed for a term not to exceed the term of all of the Bonds. In no event shall the Annual Assessment be levied beyond the period in which the Special Assessment is fully paid as provided for herein.

After the retirement of all Bonds, and the collection of any delinquent Annual Assessments, penalties and interest, the Authority shall cause the termination of the imposition and collection of the Special Assessments in compliance with the provisions of the Act.

I. PREPAYMENT OF SPECIAL ASSESSMENT

The Special Assessment on any Parcel may be fully paid at any time, the Special Assessment reduced to zero, and the obligation to pay the Annual Assessments permanently satisfied by payment of an amount calculated according to the following provisions:

1. A sum equal to the Principal Portion of the Assessment for the Parcel as set forth in Appendix A-2, as it may have been adjusted pursuant to the provisions of Sections C.1., C.2., and C.3.; less,
2. A credit for the reserve fund equal to the amount provided for in the Bond Indenture; plus,
3. The Annual Payment for the Tax Year in which the prepayment occurs, if not previously paid plus appropriate adjustments as determined by the Administrator for the amount needed to pay interest on the outstanding Bonds to be redeemed and the investment earnings on the prepayment amount until the Bonds can be called and redeemed, after taking into consideration the Annual Payment previously paid but not accounted for in the calculation of the Principal Portion of the Special Assessment in Step 1; plus,
4. Expenses of the District related to the prepayment.

The amounts calculated in the preceding steps shall be paid to the Authority and shall be distributed by the Authority to pay costs related to the prepayment and according to the Bond Indenture. Upon the payment of such prepayment amount to the Authority, the obligation to pay the Special Assessment shall be deemed to be permanently satisfied, the Special Assessment shall be reduced to zero, the Annual Assessment shall not be collected from the Parcel thereafter, and the Authority shall cause a notice of the payment of the Special Assessment to be recorded within a reasonable period of time of receipt of such prepayment amount.

A prepayment of the Special Assessment shall be required on any Parcel that is acquired by an entity that results in the Parcel being classified as Non-Benefited Property, if the Special Assessment may not be reapportioned to a Parcel of Assessed Property as a result of a subdivision of the Parcel pursuant to the provisions of Section C.2. In the event an entire Parcel becomes Non-Benefited Property such that the Special Assessment cannot be reallocated to any other Parcel pursuant to the provisions of Section C.2., the Special Assessment shall become immediately due and payable in an amount calculated as a prepayment of the Special Assessment and shall be collected from proceeds of a sale, condemnation, or other form of compensation for the property or from any other legally available source of funds.

J. AMENDMENTS

Immaterial amendments may be made to this Rate and Method of Apportionment of Special Assessments by the Board of the Authority without further notice under the Act and without notice to owners of Assessed Property within the District. Immaterial amendments shall be those that (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the assessments and other charges imposed herein so as to assure their efficient collection, and (iii) otherwise improve the ability of the District to fulfill its obligations to

impose and collect the Special Assessments and charges imposed herein and to make it available for the payment of the Bonds, Administrative Expenses, and other costs of the District. No such amendment shall be approved unless and until it has (i) been found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds and (ii) received an opinion of a nationally recognized bond counsel to the effect that the amendment is authorized pursuant to the terms of the Act, the Bond Indenture, and Special Assessment Ordinance. Amendments may not be made to this Rate and Method of Apportionment of Special Assessments pursuant to the procedure described above that would increase the Special Assessments or charges as set forth herein.

K. INTERPRETATION OF PROVISIONS

The Board of the Authority shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Assessments, unless stated otherwise herein or in the Bond Indenture, and as long as there is a rational basis for the determination made by the Board of the Authority, such determination shall be conclusive.

L. SEVERABILITY

If any section or part of a section of this “Rate and Method of Apportionment of Special Assessments” is declared invalid or unenforceable, the validity, force, and effect of any other section or part of a section herein shall not thereby be affected or impaired unless such other section or part of a section herein is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unenforceable.

Appendix A-1
SPECIAL ASSESSMENT ROLL

The Links at Gettysburg Neighborhood Improvement District
Mount Joy Township, Pennsylvania

Year	Tax Year	Annual Assessment
1	2004	\$534,750
2	2005	\$534,750
3	2006	\$534,750
4	2007	\$534,750
5	2008	\$534,750
6	2009	\$534,750
7	2010	\$534,750
8	2011	\$534,750
9	2012	\$534,750
10	2013	\$534,750
11	2014	\$534,750
12	2015	\$534,750
13	2016	\$534,750
14	2017	\$534,750
15	2018	\$534,750
16	2019	\$534,750
17	2020	\$534,750
18	2021	\$534,750
19	2022	\$534,750
20	2023	\$534,750
21	2024	\$534,750
22	2025	\$534,750
23	2026	\$534,750
24	2027	\$534,750
25	2028	\$534,750
26	2029	\$534,750
27	2030	\$534,750
28	2031	\$534,750
29	2032	\$534,750
30	2033	\$534,750
Total	\$60,555	\$16,042,500

The Annual Assessment due each Tax Year may be revised as long as the total is not exceeded and the Annual Assessment is not collected from any Parcel for more than thirty years.

Appendix A-2
 ANNUAL ASSESSMENTS
 (2004 Tax Year)

The Links at Gettysburg Neighborhood Improvement District
 Mount Joy Township, Pennsylvania

Parcel	Special Assessment	Principal Portion of Special Assessment	Annual Assessment	Annual Credit	Annual Payment
1410-021	\$9,249,452.99	\$0.00	\$308,315.10		
1410-003	\$3,014,133.44	\$0.00	\$100,471.11		
1703-0306	\$3,733,926.50	\$0.00	\$124,464.22		
2167-0340	\$44,987.07	\$0.00	\$1,499.57		
Total	\$16,042,500.00	\$0.00	\$534,750.00		

The portion of the parcels that consists of non-benefited property shown on the District Map are not intended to be part of the District. The parcels will reflect the same once subdivided. Special assessments are not to be allocated to non-benefited property.

The Special Assessment Roll may be adjusted from time to time pursuant to the provisions of Sections C.2, 3, and 4.

The Annual Payment and Annual Credit shall be determined each year beginning with the 2004 Tax Year as provided for in Section D.