

RESOLUTION NO. 2-2020

A RESOLUTION OF THE TOWN OF TRAPPE AUTHORIZING A NOTE MODIFICATION AGREEMENT WITH THE SHORE UNITED BANK IN THE PRINCIPAL AMOUNT OF \$1,140,000.00, OF WHICH THE SUM OF \$100,851.00 HAS BEEN DRAWN AND BORROWED FOR EXPENSES NECESSARY TO PAY THE COSTS OF A WELL REPLACEMENT, INSTALLATION OF A FLOW METER, UPGRADES TO A HYPOCHLORITE FEED SYSTEM, AND OTHER PUBLIC IMPROVEMENTS FOR THE TOWN, CAPITALIZED INTEREST ON THE NOTE AND THE PAYMENT OF THE COSTS OF ISSUING THE NOTE PURSUANT TO PRIOR LEGISLATIVE ACTS OF THE COUNCIL OF TRAPPE

WHEREAS, Section 304 of the Trappe Town Charter authorizes the Town to borrow money from time to time as the Council of Trappe shall deem advisable and in such manner and by such means as the Council, in its sound discretion, shall deem most advantageous to the Town; and

WHEREAS, on February 8, 2018, the Town originally issued and sold its \$1,140,000 Town of Trappe General Obligation Bond Anticipation Note Series 2018 to the Shore United Bank in order to finance all or a portion of the funds necessary to pay the costs of a well replacement, installation of a flow meter, upgrades to a hypochlorite feed system for the Town and other public improvements for the Town, capitalized interest on the Note and the payment of the costs of issuing the Note (the "Project"); and

WHEREAS, On February 1, 2018, in connection with the issuance of the Note, the Town and the Bank entered into a Loan and Financing Agreement with a maturity date of February 8, 2020; and

WHEREAS, due to unexpected delays, the Project is not expected to be completed prior to the current maturity date of February 8, 2020; and

WHEREAS, the Shore United Bank has offered to extend the current maturity date on the Note to February 8, 2022 with an interest rate of 3.00% so that the Town may complete the project; and

WHEREAS, the Council of Trappe has deemed it desirable and in the public interest to extend the maturity date on the existing Note to February 8, 2022, with an increase in the interest rate from 2.55% to 3.00%, and to execute such other and further documents necessary to extend the maturity date of said obligation.

NOW, THEREFORE, be it resolved by the Council of Trappe as follows:

Section 1. The recitals set forth above are incorporated herein and are made a part of this Resolution.

Section 2. The President or the Vice President of the Council is hereby authorized to execute and deliver such documents, including a Note Modification Agreement, attached hereto as Exhibit 1, and a Supplemental Arbitrage and Tax Certificate, attached hereto as Exhibit 2, in the same or substantially similar form, with a maturity date of February 8, 2022, and an interest rate of 3.00%.

Section 3. This Resolution shall become effective upon adoption by the Council of Trappe.



Nicholas Newnam



Robert Diefenderfer, Jr.

absent

Tonya Pritchett

absent
Norman Fegel
Walter Chase, Sr.
Walter Chase, Sr.

I hereby certify that the above Resolution was adopted by a yea and nay vote of the Council
this 5th day of February, 2020.

Erin Braband
Erin Braband, Town Administrator-
Clerk/Treasurer

