

RESOLUTION NO. 7-2020

A RESOLUTION OF THE TOWN OF TRAPPE AUTHORIZING THE RENEWAL OF A LINE OF CREDIT PROMISSORY NOTE WITH SHORE UNITED BANK IN THE PRINCIPAL AMOUNT OF \$100,000.00, OF WHICH THE SUM OF \$27,844.78 HAS BEEN DRAWN AND BORROWED FOR VARIOUS TOWN EXPENSES 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, Section 612 of the Trappe Town Charter authorizes the Town of Trappe to borrow upon the full faith and credit and tax authority of the Town such sums of money as it deems proper for municipal purposes; and

WHEREAS, by Ordinance 1-2010, the Council of Trappe authorized the President to execute a line of credit promissory note with The Talbot Bank of Easton, Maryland, in the principal amount of \$100,000, (“Talbot Bank Line of Credit”), which sum was borrowed to provide financing for renovations to the Town Office for the relocation of the Trappe Police Department, and for street repairs, and to cover other public expenses and indebtedness that may arise from time to time, said loan to be repaid by the citizens of Trappe, with the pledge of the Town’s full faith and credit toward the repayment of the loan; and

WHEREAS, on May 6, 2010, the President of the Council of Trappe executed a promissory note with The Talbot Bank in the principal amount of \$100,000.00, a copy of which is attached hereto as Exhibit 1; and

WHEREAS, pursuant to various resolutions, the Town has utilized the funds available on the line of credit for various approved expenses, including the initial expenses contemplated by Ordinance No. 1-2010, as well as other expenses, including repairs on the Town's well and relocation of the Trappe Police Department (authorized by Resolution No. 4-2010); the purchase of a Ford F-150 pickup truck (authorized by Resolution No. 3-2011); interim financing for the purchase and installation of a town gazebo (authorized by Resolution 2-2012); and the purchase replacement pumps and related equipment (authorized by Resolution 6-2012); and

WHEREAS, by Resolution No. 2-2019, the Council of Trappe authorized the renewal of the Shore United Bank Line of Credit, which expires on December 31, 2020; and

WHEREAS, Shore United Bank (previously known as "The Talbot Bank") has offered the Town an interest rate of 3.00% for a one-year renewal term of the Shore United Bank Line of Credit; and

WHEREAS, the Council of Trappe has deemed it desirable and in the public interest to renew the existing loan and to execute such other and further documents necessary to continue the promissory note and to extend the maturity date of said obligation by one year.


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.

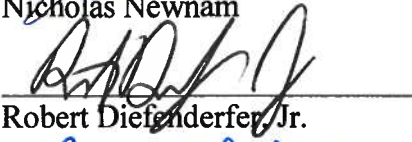
Section 2. The President or the Vice President of the Council is hereby authorized to execute and deliver to Shore United Bank such documents, including a renewal or replacement note or notes, in the same or substantially similar form, as the Promissory Note (save for

execution and dating), attached hereto as Exhibit 2, with interest at 3.00 percent, with quarterly interest only payments, and with a maturity date of December 31, 2021, at which time all accrued and unpaid interest thereon shall be due and payable.


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



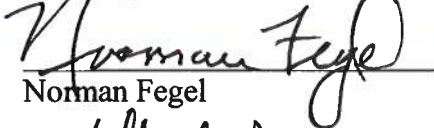
Nicholas Newnam




Robert Diefenderfer, Jr.



Tonya Fritchett




Norman Fegel



Walter Chase, Sr.

I hereby certify that the above Resolution was adopted by a ye and nay vote of the Council this 2nd day of December, 2020.



Erin Braband, Town Administrator-
Clerk/Treasurer

