

**RESOLUTION NO. 8-2020**

**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 \$200,000.00, OF WHICH THE SUM OF \$152,433.99 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 6-2005, 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 \$200,000, ("Talbot Bank Line of Credit"), which sum was borrowed to provide financing for repairs, maintenance and improvements to Maple Avenue and Hennissee Lane;

WHEREAS, on October 26, 2005, the President of the Town of Trappe executed a promissory note with The Talbot Bank in the principal amount of \$200,000.00, a copy of which is attached hereto as Exhibit 1; and

WHEREAS, pursuant to various ordinances and resolutions adopted by the Council, the Town has utilized the funds available on the Line of Credit for various approved expenses,

including the initial expenses contemplated by Ordinance No. 2-2005 for repairs and maintenance to Maple Avenue and Hennissee Lane; as well as other expenses, including the acquisition and clean-up of property acquired by the Town at 3816 Ocean Gateway (authorized by Ordinance No. 8-2006); and for repairs, maintenance and improvements to portions of Seymour Drive, School Street and other areas of Town determined to be in need of improvement (authorized by Resolution No. 5-2009); and

WHEREAS, by Resolution No. 6-2006, Resolution 1-2009, Resolution 1-2011, Resolution 8-2012, Resolution 3-2014, Resolution 8-2015, Resolution 8-2016, Resolution 5-2017, Resolution 2-2018, and 3-2019, the Council of Trappe authorized consecutive renewals of the Talbot Bank Line of Credit, the latest of which expires on December 31, 2020;

WHEREAS, Shore United Bank (previously known as “The Talbot Bank”) has offered the Town an interest rate of 3.0% for a one year term; and

WHEREAS, the Council of Trappe has deemed it desirable and in the public interest to renew the existing loan at an interest rate 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.

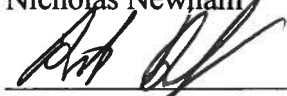
Section 2. The President or the Vice President of the Council is hereby authorized to execute and deliver to Shore United Bank such documents, including a renewal or replacement

note or notes, in the same or substantially similar form, as the Promissory Note attached hereto as Exhibit 2, with interest at 3.0%, with quarterly interest payments, and with a maturity date of December 31, 2021.

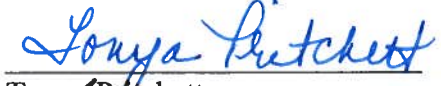
Section 3. This Resolution shall become effective upon adoption by the Council of Trappe.



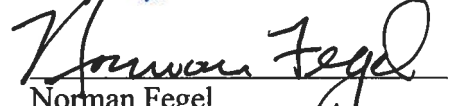
Nicholas Newnam



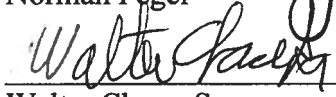
Robert Diefenderfer, Jr.



Tonya Pritchett

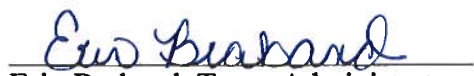


Norman Fegel



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

