

RESOLUTION R- 16-6

A RESOLUTION OF THE TOWNSHIP OF NORTHAMPTON, BUCKS COUNTY, COMMONWEALTH OF PENNSYLVANIA, AUTHORIZING THE INCURRING OF LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$450,000 TO BE EVIDENCED BY A LOAN AGREEMENT WITH TD BANK NA ("LENDER") TO WHICH NORTHAMPTON TOWNSHIP WILL PAY TO LENDER THE LOAN PAYMENTS FOR THE PURPOSES OF PROVIDING CERTAIN EQUIPMENT FOR NORTHAMPTON TOWNSHIP; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LOAN AGREEMENTS; SETTING THE AMOUNTS OF THE LOAN PAYMENTS TO BE MADE THEREUNDER AND COVENANTING TO PAY SUCH AMOUNTS FROM CURRENT REVENUES, SUBJECT TO ANNUAL APPROPRIATION; AUTHORIZING AND DIRECTING THE TAKING OF NECESSARY OR APPROPRIATE ACTIONS, INCLUDING EXECUTION AND DELIVERY OF REQUISITE DOCUMENTS IN CONNECTION WITH THE LOAN AGREEMENT; AND TAKING RELATED ACTION.

WHEREAS, Northampton Township has determined that it is in the best interests of Northampton Township to finance certain capital equipment ("Equipment") as more particularly described in Exhibit "A" annexed hereto and made part hereof and;

WHEREAS, Northampton Township desires by this resolution to authorize the execution and delivery on behalf of Northampton Township of a Loan Agreement, and to authorize the taking of necessary or appropriate actions in connection with the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Northampton Township as follows:

Section 1. The Board of Supervisors of Northampton Township hereby authorizes and approves the financing of capital equipment pursuant to a Loan Agreement with TD Bank, NA, and to incur loan obligations in an aggregate principal amount not to exceed \$450,000 by the execution and delivery of a Loan Agreement. Northampton Township has determined that the realistic estimated useful life of the equipment is at least five (5) years or (7) years.

Section 2. Form of Loan Agreement. The Loan Agreement will be in form and substance satisfactory to Northampton Township, with the advice of counsel, and shall provide for Northampton Township's repayment obligations thereunder.

Section 3. Execution and Delivery of Loan Agreement. Northampton Township designates and authorizes the Township Manager and Finance Director to execute, attest, seal and deliver the

From: McNally, Joseph [mailto:Joseph.McNally@td.com]

Sent: Wednesday, February 17, 2016 4:22 PM

To: Robert Pellegrino; Lisa Russo

Cc: Robert Armelin

Subject: RE: Capital Lease Agreements

Bob/Lisa,

Attached is a Pennsylvania loan agreement template with dummy customer and loan information completed as we cannot provide the actual loan agreements until our final approval is processed this week. The dummy company information will be replaced with the Township information and the Financial Statement Requirements in Section 3.3 will be changed to the annual Audited Financial Statement and Budget. Other than that the body of the Loan Agreement will remain the same. The Township will be signing a loan agreement for each credit facility as well as the ancillary documents including the Note. Repayment as per the amortization schedules below.

Event	Amount	Term	Period
Loan	\$173,000.00	1	
Advanced Payment	\$35,734.54	1	
Loan Payment 1	\$35,734.54	4	Annual
Loan Payment 2	\$1.00	1	

Payment Schedule

Event	Loan	Payment	Interest	Principal	Balance
Loan 1	\$173,000.00		\$0.00	\$0.00	\$173,000.00
Advanced Payment 1		\$35,734.54	\$0.00	\$35,734.54	\$137,265.46
Loan Payment 1		\$35,734.54	\$2,251.15	\$33,483.39	\$103,782.07
Loan Payment 2		\$35,734.54	\$1,702.03	\$34,032.51	\$69,749.56
Loan Payment 3		\$35,734.54	\$1,143.89	\$34,590.65	\$35,158.91
Loan Payment 4		\$35,734.54	\$576.61	\$35,157.93	\$0.98
Loan Payment 5		\$1.00	\$0.02	\$0.98	\$0.00
Grand Total	\$173,000.00	\$178,673.70	\$5,673.70	\$173,000.00	\$0.00

Payment Summary

Event	Amount	Term	Period
Loan	\$277,000.00	1	
Loan Payment	\$41,763.50	1	
Loan Payment 1	\$41,763.50	6	Annual
Loan Payment 2	\$1.00	1	

Payment Schedule

Event	Loan	Payment	Interest	Principal	Balance
Loan 1	\$277,000.00		\$0.00	\$0.00	\$277,000.00
Advanced Payment 1		\$41,763.50	\$0.00	\$41,763.50	\$235,236.50
Loan Payment 1		\$41,763.50	\$4,318.94	\$37,444.56	\$197,791.94
Loan Payment 2		\$41,763.50	\$3,631.46	\$38,132.04	\$159,659.90
Loan Payment 3		\$41,763.50	\$2,931.36	\$38,832.14	\$120,827.76
Loan Payment 4		\$41,763.50	\$2,218.40	\$39,545.10	\$81,282.66
Loan Payment 5		\$41,763.50	\$1,492.35	\$40,271.15	\$41,011.51
Loan Payment 6		\$41,763.50	\$752.97	\$41,010.53	\$0.98
Loan Payment 7		\$1.00	\$0.02	\$0.98	\$0.00
Grand Total	\$277,000.00	\$292,345.50	\$15,345.50	\$277,000.00	\$0.00

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EXHIBIT A

Northampton TWP 2016 CAPITAL LEASE ITEMS

Description	Actual Purchase	Department	2016 Est Item Cost	Years
2016 Explorer (replace 2011 Ford) - (decals & light bar)		Police	37,000	5
2016 Explorer (replace 2009 Ford) - (decals & light bar)		Police	37,000	5
2016 Explorer (replace 2011 Ford) - (decals & light bar)		Police	37,000	5
2016 Explorer (replace 2000 GMC) - (decals & light bar)	Lansdale Chrysler 2015 Dodge Charger	Police	37,000	5
In-Vehicle Video System (4) (6000/ea)	Watch Guard Video	Police	25,000	5
2016 Tahoe (Replace 2009 Chevy)	2016 GMC Sierra Pick-Up	Fire Marshal	40,000	7
New Mowers (Replace Small Mowers)		Public Works	8,000	7
NEW 2016 Pick Up		Park & Rec	40,000	7
2016 6 Wheel Dump Truck (Replace 1998 Inter 6 Wheel Dump)		Road Equipment	89,000	7
2016 6 Wheel Dump Truck (Replace 1998 Inter 6 Wheel Dump)		Road Equipment	89,000	7
Snow Plow Attachment (replace 2)		Road Equipment	11,000	7
TOTALS			450,000	

Loan Agreement in the form provided in Section 2 hereof. Such execution, attestation, and delivery of the Loan Agreement shall constitute conclusive evidence of such approval.

Section 4. Loan Payments from Current Revenues. Northampton Township covenants to pay Lender the loan payments from current revenues or capital reserve funds subject to annual appropriation.

Section 5. Qualified Tax Exempt Obligations. Northampton Township designates its obligations under the Loan Agreement as "qualified tax exempt obligations" as defined in and for purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

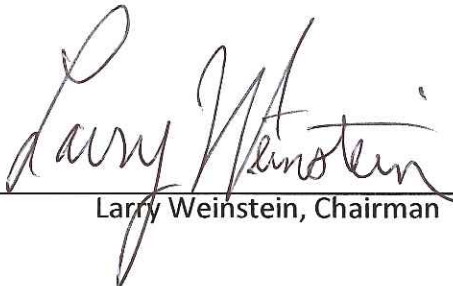
Section 6. Headings & Preambles. The preambles and headings of this Resolution are inserted for ease of reference only and shall not constitute a part of this Resolution.

Section 7. Inconsistent Ordinances are Repealed. All ordinances and resolutions to the extent inconsistent herewith shall be and the same are hereby rescinded, cancelled, and annulled.

Section 8. Reimbursement from Proceeds. The Township declares its intent to be reimbursed from proceeds of the Loan obligation for any temporary advances from its capital reserve funds used to pay for any equipment acquired prior to the execution of this document.

RESOLVED this 24 day of February 2016.

**BOARD OF SUPERVISORS
NORTHAMPTON TOWNSHIP**



Larry Weinstein, Chairman

Attest:



Eileen Silver, Secretary