

**RESOLUTION #12-21
OF THE TOWNSHIP OF HATFIELD,
MONTGOMERY COUNTY, PENNSYLVANIA**

A RESOLUTION AUTHORIZING AND DIRECTING THE CONVERSION OF ALL OR A PORTION OF THE GENERAL OBLIGATION NOTE, 2003 A SERIES (THE "2003 A NOTE"), THE GENERAL OBLIGATION NOTE, 2003 B SERIES (THE "2003 B NOTE"), AND THE GENERAL OBLIGATION NOTE, 2006 SERIES (THE "2006 NOTE" AND COLLECTIVELY, THE "PARTICIPANT NOTE"), ISSUED BY THE TOWNSHIP OF HATFIELD (THE "TOWNSHIP" OR THE "PARTICIPANT") TO A LOAN FIXED RATE AND REPEALING INCONSISTENT RESOLUTIONS.

WITNESSETH:

WHEREAS, the Township issued the 2003 A Note in the aggregate principal amount of \$2,500,000, the 2003 B Note in the aggregate principal amount of \$1,500,000, and the 2006 Note in the aggregate principal amount of \$3,500,000; and

WHEREAS, all of the principal outstanding of the Participant Note currently bears interest at the Loan Fixed Rate; and

WHEREAS, under the terms of the Loan Agreements of the Participant Note, all or a portion of the principal outstanding may be converted to a Loan Fixed Rate for any period of time up to the maturity date of the Participant Note; and

WHEREAS, converting to a new Loan Fixed Rate would reduce the Participant's debt service costs and hedge against increases of interest rates in the future.

NOW, THEREFORE, BE IT ADOPTED BY THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF HATFIELD, MONTGOMERY COUNTY, PENNSYLVANIA, AND IT IS HEREBY RESOLVED AND ADOPTED BY THE AUTHORITY OF SAID BOARD OF COMMISSIONERS THAT:

SECTION 1. AUTHORIZATION TO EXECUTE THE CONVERSION DOCUMENTS

The Board of Commissioners of the Township of Hatfield hereby authorizes the President or Vice-President to convert all or a portion of the Participant Note to Loan Fixed Rates and hereby approves the forms of the documents required to convert all or a portion of the Participant Note to Loan Fixed Rates (collectively, the “Conversion Documents”), attached hereto. The President or Vice President and the Township Manager are hereby authorized to execute and deliver the Conversion Documents, but with such alterations, deletions and additions as they may approve (such approval to be conclusively established by the execution of the Conversion Documents by the President or Vice President).

SECTION 2. CONFLICTING RESOLUTIONS

All resolutions or parts of resolutions not in accord with this Resolution are hereby repealed insofar as they conflict herewith.

IN WITNESS WHEREOF, we, the undersigned authorized officers, have hereunto set our signatures and affixed hereto the Seal of the TOWNSHIP OF HATFIELD, Montgomery County, Pennsylvania.

Dated: June 20, 2012

THOMAS C. ZIPFEL
President

[Seal]

ATTEST:

ANDREW S. HAINES
Township Manager

**TOWNSHIP OF HATFIELD
MONTGOMERY COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE, 2003 A SERIES**

FIXED RATE CONVERSION REQUEST

Pursuant to Section 4.01 of the Loan Agreement, the TOWNSHIP OF HATFIELD, Montgomery County, Pennsylvania (the “Participant”), hereby requests the DELAWARE VALLEY REGIONAL FINANCE AUTHORITY (“DeIVal”) to convert the principal amounts of the General Obligation Note, 2003 A Series, the General Obligation Note, 2003 B Series, and the General Obligation Note, 2006 Series (collectively, the “Participant Note”) to the Loan Fixed Rate, as set forth on the schedules attached hereto.

Pursuant to the Request and Section 6.01 of the Loan Agreement, the principal repayments will be accelerated to provide more level annual debt service payments after the conversion to the new Loan Fixed Rates.

The Participant acknowledges, pursuant to Section 6.01 of the Loan Agreement, that the Participant may prepay all or a portion of the Participant Note that is subject to the Loan Fixed Rate or may terminate the Loan Fixed Rate by giving at least thirty days of written notice to DeIVal. THE PARTICIPANT SHALL PAY THE COSTS, IF ANY, INCURRED BY DELVAL TO TERMINATE THE FIXED RATE SWAP TRANSACTION USED BY DELVAL TO PROVIDE THE LOAN FIXED RATE TO THE PARTICIPANT.

IN WITNESS WHEREOF, we, the undersigned authorized officers, have hereunto set our signatures and affixed hereto the Seal of the TOWNSHIP OF HATFIELD, Montgomery County, Pennsylvania.

Dated: June 20, 2012

THOMAS C. ZIPFEL
President

[Seal]

ATTEST:

ANDREW S. HAINES
Township Manager

Township of Hatfield
General Obligation Note, 2003 A Series
Principal to be Converted to a Loan Fixed Rate

<i>Maturity Date</i>	<i>Principal Amount</i>
25-Jun-13	\$ 48,000.00
25-Jun-14	50,000.00
25-Jun-15	52,000.00
25-Jun-16	54,000.00
25-Jun-17	55,000.00
Total	<u>\$ 259,000.00</u>

Township of Hatfield
General Obligation Note, 2003 B Series
Principal to be Converted to a Loan Fixed Rate

<i>Maturity Date</i>	<i>Principal Amount</i>
25-Jun-13	\$ -
25-Jun-14	-
25-Jun-15	-
25-Jun-16	-
25-Jun-17	-
25-Jun-18	57,000.00
25-Jun-19	59,000.00
25-Jun-20	61,000.00
25-Jun-21	64,000.00
25-Jun-22	66,000.00
25-Jun-23	68,000.00
Total	<u>\$ 375,000.00</u>

Township of Hatfield
General Obligation Note, 2006 Series
Principal to be Converted to a Loan Fixed Rate

<i><u>Maturity</u></i> <i><u>Date</u></i>	<i><u>Principal</u></i> <i><u>Amount</u></i>
25-Aug-13	\$ 37,000.00
25-Aug-14	38,000.00
25-Aug-15	40,000.00
25-Aug-16	42,000.00
25-Aug-17	44,000.00
25-Aug-18	45,000.00
25-Aug-19	47,000.00
25-Aug-20	49,000.00
25-Aug-21	51,000.00
25-Aug-22	54,000.00
25-Aug-23	56,000.00
25-Aug-24	58,000.00
25-Aug-25	61,000.00
25-Aug-26	<u>63,000.00</u>
Total	<u>\$ 685,000.00</u>

**TOWNSHIP OF HATFIELD
MONTGOMERY COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE, 2003 A SERIES**

NOTICE OF FIXED RATE CONVERSION

Pursuant to Section 4.01 of the Loan Agreement, the DELAWARE VALLEY REGIONAL FINANCE AUTHORITY (“DelVal”) hereby submits the Loan Fixed Rate that would apply to the Fixed Rate Conversion Request (the “Request”) submitted by the TOWNSHIP OF HATFIELD, Montgomery County (the “Participant”), for its General Obligation Note, 2003 A Series, General Obligation Note, 2003 B Series, and General Obligation Note, 2006 Series (collectively, the “Participant Note”). Pursuant to the Request, the terms of the Loan Fixed Rate are set forth on the schedules attached hereto.

Pursuant to the Request and Section 6.01 of the Loan Agreement, the principal repayments will be accelerated to provide more level annual debt service payments after the conversion to the new Loan Fixed Rates.

The Participant acknowledges, pursuant to Section 6.01 of the Loan Agreement, that the Participant may prepay all or a portion of the Participant Note that is subject to the Loan Fixed Rate or may terminate the Loan Fixed Rate by giving at least thirty days of written notice to DelVal. THE PARTICIPANT SHALL PAY THE COSTS, IF ANY, INCURRED BY DELVAL TO TERMINATE THE FIXED RATE SWAP TRANSACTION USED BY DELVAL TO PROVIDE THE LOAN FIXED RATE TO THE PARTICIPANT.

IN WITNESS WHEREOF, the undersigned authorized officer of the Program Administrator of the DELAWARE VALLEY REGIONAL FINANCE AUTHORITY hereby accepts the terms of the Notice of Fixed Rate Conversion.

Dated:

LUCIEN B. CALHOUN
President, Calhoun, Baker Inc.
Program Administrator

IN WITNESS WHEREOF, we, the undersigned authorized officers, have hereunto set our signatures and affixed hereto the Seal of the TOWNSHIP OF HATFIELD, Montgomery County, Pennsylvania.

Dated:

THOMAS C. ZIPFEL
President

[Seal]

ATTEST:

ANDREW S. HAINES
Township Manager

**Township of Hatfield
General Obligation Note, 2003 A Series
Loan Fixed Rate Conversion
Estimated Debt Service Payments**

<u>Period Ending</u>	<u>Principal Amount (1)</u>	<u>Interest Rate (2)</u>	<u>Interest Payment (3)</u>	<u>Total Payment</u>
25-Jun-13	\$ -		\$ -	\$ -
25-Jun-14	-		-	-
25-Jun-15	-		-	-
25-Jun-16	-		-	-
25-Jun-17	-		-	-
Total	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

- (1) Principal is payable annually, commencing on: 25-Jun-13
(2) Fixed rate terminates on: 25-Jun-17 Option date: ---
Rate assumes spread for the DelVal administrative expenses and net payments on debt service and interest rate swap agreements equals 0.40%.
(3) Interest is payable monthly, commencing on: 25-Jul-12
Interest accrues from : 25-Jun-12

**Township of Hatfield
General Obligation Note, 2003 B Series
Loan Fixed Rate Conversion
Estimated Debt Service Payments**

<u>Period Ending</u>	<u>Principal Amount (1)</u>	<u>Interest Rate (2)</u>	<u>Interest Payment (3)</u>	<u>Total Payment</u>
25-Jun-13	\$ -		\$ -	\$ -
25-Jun-14	-		-	-
25-Jun-15	-		-	-
25-Jun-16	-		-	-
25-Jun-17	-		-	-
25-Jun-18	-		-	-
25-Jun-19	-		-	-
25-Jun-20	-		-	-
25-Jun-21	-		-	-
25-Jun-22	-		-	-
25-Jun-23	-		-	-
Total	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

- (1) Principal is payable annually, commencing on: 25-Jun-18
(2) Fixed rate terminates on: 25-Jun-23 Option date: ---
Rate assumes spread for the DelVal administrative expenses and net payments on debt service and interest rate swap agreements equals 0.40%.
(3) Interest is payable monthly, commencing on: 25-Jul-12
Interest accrues from : 25-Jun-12

**Township of Hatfield
 General Obligation Note, 2006 Series
 Loan Fixed Rate Conversion
 Estimated Debt Service Payments**

<u>Period Ending</u>	<u>Principal Amount (1)</u>	<u>Interest Rate (2)</u>	<u>Interest Payment (3)</u>	<u>Total Payment</u>
25-Aug-13	\$ -		\$ -	\$ -
25-Aug-14	-		-	-
25-Aug-15	-		-	-
25-Aug-16	-		-	-
25-Aug-17	-		-	-
25-Aug-18	-		-	-
25-Aug-19	-		-	-
25-Aug-20	-		-	-
25-Aug-21	-		-	-
25-Aug-22	-		-	-
25-Aug-23	-		-	-
25-Aug-24	-		-	-
25-Aug-25	-		-	-
25-Aug-26	-		-	-
Total	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

- (1) Principal is payable annually, commencing on: 25-Aug-13
- (2) Fixed rate terminates on: 25-Aug-26 Option date: ---
 Rate assumes spread for the DelVal administrative expenses and net payments on debt service and interest rate swap agreements equals 0.40%.
- (3) Interest is payable monthly, commencing on: 25-Sep-12
 Interest accrues from : 25-Aug-12