

RESOLUTION ____
OF THE BOARD OF COMMISSIONERS
OF THE TOWNSHIP OF HATFIELD,
MONTGOMERY COUNTY, PENNSYLVANIA

A RESOLUTION AUTHORIZING THE CONVERSION OF ALL OR A PORTION OF THE GENERAL OBLIGATION NOTES, 2006 SERIES (COLLECTIVELY, THE "PARTICIPANT NOTE") ISSUED BY THE TOWNSHIP OF HATFIELD (THE "PARTICIPANT") TO A NEW LOAN FIXED RATE; AND THE REPEAL OF ANY INCONSISTENT RESOLUTIONS.

WITNESSETH:

WHEREAS, the Participant issued the Participant Note in the aggregate principal amount of \$3,500,000 to the Delaware Valley Regional Finance Authority ("DelVal") on August 25, 2006; and

WHEREAS, the Loan Fixed Rate on \$570,000 of the principal outstanding of the Participant Note will terminate on August 25, 2015; and

WHEREAS, converting to a new Loan Fixed Rate would hedge against increases of interest rates in the future; and

WHEREAS, accelerating the amortization of the Participant Note would result in more level annual debt service payments.

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 (the “Board”) hereby authorizes and directs the conversion of all or a portion of the Participant Note to a Loan Fixed Rate and (ii) the acceleration of the repayment of the Participant Note to provide level annual debt service payments. The Board hereby approves the forms of the documents required to convert all or a portion of the Participant Note to a new Loan Fixed Rate (collectively, the “Conversion Documents”), attached hereto. The President or Vice President and the Secretary (the “Authorized Officers”) 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 Authorized Officers).

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All resolutions or parts of resolutions not in accord with this Resolution are hereby repealed insofar as they conflict herewith.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: August 26, 2015

THOMAS ZIPFEL
President, Board of Commissioners

[Seal]

ATTEST:

AARON BIBRO
Secretary

TOWNSHIP OF HATFIELD
MONTGOMERY COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTES, 2006 SERIES C

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 (“DelVal”) to convert the principal amounts of the General Obligation Notes, 2006 Series c (collectively, the “Participant Note”) to a new Loan Fixed Rate, as set forth on the schedules attached hereto.

Pursuant to Section 6.01 of the Loan Agreement, the Participant hereby requests that the principal repayments of the Participant Note be accelerated to provide more level annual debt service payments after the conversion to the new Loan Fixed Rate.

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 INTEREST RATE SWAP TRANSACTION EXECUTED 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: August 26, 2015

THOMAS ZIPFEL
President, Board of Commissioners

[Seal]

ATTEST:

AARON BIBRO
Manager

**TOWNSHIP OF HATFIELD
GENERAL OBLIGATION NOTES, 2006 SERIES C
PRINCIPAL TO BE CONVERTED TO A LOAN FIXED RATE**

<i><u>Maturity Date</u></i>	<i><u>Principal Amount</u></i>
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>\$ 570,000.00</u>

TOWNSHIP OF HATFIELD
MONTGOMERY COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTES, 2006 SERIES C

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 Notes, 2006 Series c (collectively, the “Participant Note”). Pursuant to the Request, the terms of the Loan Fixed Rate are set forth on the schedule attached hereto.

Pursuant to the Request and Section 6.01 of the Loan Agreement, the principal repayments of the Participant Note due on and after August 25, 2016, will be accelerated to provide more level annual debt service payments after the conversion to the new Loan Fixed Rate.

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. On any Loan Payment Date on or after August 25, 2022 (the “Option Date”), the Participant may terminate the Loan Fixed Rate on the Participant Note or prepay all or a portion of the Participant Note with no penalty. PRIOR TO THE OPTION DATE, THE PARTICIPANT SHALL PAY THE COSTS, IF ANY, INCURRED BY DELVAL TO TERMINATE THE INTEREST RATE SWAP TRANSACTION EXECUTED 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: August 26, 2015

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: August 26, 2015

THOMAS ZIPFEL
President, Board of Commissioners

[Seal]

ATTEST:

AARON BIBRO
Manager

**TOWNSHIP OF HATFIELD
GENERAL OBLIGATION NOTES, 2006 SERIES C
LOAN FIXED RATE CONVERSION
ESTIMATED DEBT SERVICE PAYMENTS**

<u>Period Ending</u>	<u>Principal Amount</u> (1)	<u>Interest Rate</u> (2)	<u>Interest Payment</u> (3)	<u>Total Payment</u>
25-Aug-16	\$ 47,000.00			
25-Aug-17	48,000.00			
25-Aug-18	49,000.00			
25-Aug-19	50,000.00			
25-Aug-20	51,000.00			
25-Aug-21	52,000.00			
25-Aug-22	53,000.00			
25-Aug-23	54,000.00			
25-Aug-24	55,000.00			
25-Aug-25	56,000.00			
25-Aug-26	55,000.00			
Total	<u>\$ 570,000.00</u>			

- (1) Principal is payable annually, commencing on: 25-Aug-16
- (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-15
Interest accrues from : 25-Aug-15