

RESOLUTION NO. 1-2009

A RESOLUTION OF THE TOWN OF TRAPPE AUTHORIZING THE RENEWAL OF A LINE OF CREDIT PROMISSORY NOTE WITH THE TALBOT BANK IN THE PRINCIPAL AMOUNT OF \$200,000, OF WHICH THE SUM OF \$174,265.34 HAS BEEN DRAWN AND BORROWED TO PROVIDE FOR REPAIRS AND MAINTENANCE TO MAPLE AVENUE AND HENNISSEE LANE, AND FOR THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 3816 OCEAN GATEWAY, TRAPPE, MARYLAND

WHEREAS, Section 304 of the Trappe Town Charter authorizes the Town to borrow money from time to time as the Town Council shall deem advisable and in such manner and by such means as the Town 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 Trappe Town Council 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, a copy of said note is attached hereto as Exhibit “1”; and

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, a copy of which is attached hereto as Exhibit “1”; and

WHEREAS, the Town borrowed \$78,756.79 on the Talbot Bank Line of Credit for repairs to Maple Avenue and Hennissee Lane; and

WHEREAS, by Ordinance No. 8-2006, the Town Council authorized the President of the

Town Council to use available funds remaining on the Talbot Bank Line of Credit toward the acquisition and clean-up of the property located at 3816 Ocean Gateway, Trappe, Maryland; and

WHEREAS, by Resolution 6-2006, the Town Council authorized the renewal of the Talbot Bank Line of Credit, for a period of two years; which expired on December 31, 2008; and

WHEREAS, the Trappe Town Council 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 two years.

NOW, THEREFORE, be it resolved by the Town Council of Trappe as follows:

Section 1. The recitals set forth above are incorporated herein and are made a part of this Ordinance.

Section 2. The President of the Town Council is hereby authorized to execute and deliver to the Talbot 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 3.25%, with quarterly interest payments, and with a maturity date of December 31, 2010.

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

Donald English

Norm Fegel

Daniel Adams

Walter Chase

Cheryl Lewis

I hereby certify that the above Resolution was adopted by a ye and nay vote of the Council
this 7th day of January, 2009.

Joedy Cecil, Town Clerk

UNCERTIFIED
COPY