

RESOLUTION 10-14

A RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL AUTHORITY AUTHORIZING THE INCURRING OF A LOAN FROM SUSQUEHANNA BANK SECURED BY AUTHORITY REVENUES IN AN AMOUNT UP TO \$12,300,000 TO BE USED FOR THE PURPOSE OF REDEEMING ALL OUTSTANDING BONDS OF THE AUTHORITY AND PARTIALLY FINANCING THE COSTS OF CERTAIN IMPROVEMENTS TO THE AUTHORITY'S WASTEWATER SYSTEM; AGREEING TO PAY THE PRINCIPAL AND INTEREST ON THE LOAN; APPROVING THE LOAN DOCUMENTS; AUTHORIZING SUCH OTHER NECESSARY AND PROPER ACTION; AND REPEALING INCONSISTENT RESOLUTIONS

WHEREAS, the Washington Township Municipal Authority ("Authority") is a municipal authority duly organized and existing under the Pennsylvania Municipality Authorities Act and other laws of the Commonwealth of Pennsylvania; and

WHEREAS, the Authority has determined to incur a bank loan from Susquehanna Bank in a principal amount not to exceed \$12,300,000, for the purpose of redeeming all outstanding bonds of the Authority and for the purpose of partially financing the costs of certain improvements to the Authority's wastewater system (the "Loan").

NOW, THEREFORE, BE IT RESOLVED by the Board of the Washington Township Municipal Authority as follows:

Section 1: The Authority hereby determines to incur and authorizes the incurrence of the Loan in an amount up to \$12,300,000, said amount to be drawn as follows: the amount necessary to redeem all of the Authority's outstanding bonds and to pay expenses related to said bond redemption to be drawn on or about December 28, 2010; with the balance to be drawn in increments and on dates to be determined by the Authority on or before June 30, 2013, to perform certain improvements to the Authority's wastewater system. Said draws may include a final draw to be deposited in escrow for application to capital projects in accordance with the terms of the Loan.

Section 2: Conditional only upon the closing of the Loan, the Authority hereby elects to redeem all outstanding bonds of the Authority.

Section 3: The debt to be incurred is to be secured by the revenue of the Authority and such steps as are necessary to perfect said security are hereby authorized.

Section 4: The minimum amount to be paid in each fiscal year in accordance with the terms of the Loan is set out on Exhibit "A" attached to this Resolution. The Authority covenants that it will include the amount of each such payment in its budget for each year in which such amount is payable; that it will appropriate such amounts from its revenues for such payments;

and that it will duly and punctually pay such amounts or cause them to be paid on the dates and at the places and in the manner stated in the Loan.

Section 5: The Authority shall enter into the Loan with Susquehanna Bank by execution of Loan documents, substantially in the form of Exhibit "B", attached to this Resolution (the "Loan Agreement"), with such changes therein as shall be approved by the Solicitor and the officers executing the Loan Agreement, such approval to be conclusively evidenced by such execution.

Section 6: The Authority hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"), and the Income Tax Regulations thereunder, in order to preserve the status of the interest on the Loan as excluded from gross income for Federal income tax purposes. Without limiting the generality of the foregoing covenant, (a) the Authority will not use or permit the use of any of the proceeds of the Loan or any of the funds of the Authority in such manner as would cause the interest on the Loan to be included in gross income for Federal income tax purposes, (b) the Authority will regulate the investment of the proceeds of the Loan so as not to cause the promissory note(s) evidencing the Loan to be an "arbitrage bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the Authority will, if and to the extent necessary, make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (d) the Authority will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the Chairman or Vice Chairman are hereby authorized and directed to prepare or cause to be prepared and to execute any certificate or other document which may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and the Income Tax Regulations thereunder.

Section 7: The promissory note(s) evidencing the Loan are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 8: The Chairman or Vice Chairman of the Board of the Authority is hereby authorized and empowered to execute the Loan Agreement for and on behalf of the Authority, and the Authority Secretary or Assistant Secretary shall attest to the same and affix thereto the seal of the Authority.

Section 9: The proper officers of the Authority are hereby authorized and directed to perform all acts necessary and proper for delivery of the Loan Agreement, the payment of the amounts due thereunder and the performance of all acts required thereby.

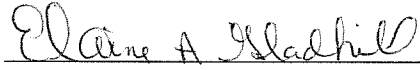
Section 10: All resolutions or parts thereof not in accordance with this Resolution are hereby repealed insofar as they conflict with this Resolution.

Enacted and resolved this 7 day of December, 2010 in due and lawful assembly.

Washington Township Municipal Authority



FRED L. EISENHART, Chairman



Elaine A. Gladhill, Secretary