

EAST FALLOWFIELD TOWNSHIP
Chester County, Pennsylvania

RESOLUTION 2011 - 01

**AUTHORIZING THE REIMBURSEMENT OF PRIOR EXPENDITURES
OF THE TOWNSHIP RELATING TO COSTS OF A MOTOR VEHICLE
FROM THE PROCEEDS OF A NOTE TO BE ISSUED**

WHEREAS, East Fallowfield Township, Chester County, Pennsylvania (the "Township") is a political subdivision of the Commonwealth of Pennsylvania; and

WHEREAS, the Township intends to issue a certain tax - exempt note to a commercial bank (the "Note") to finance all or a portion of the cost of acquisition of a Freightliner Dump Truck (the "Project"); and

WHEREAS, the Township intends to reimburse itself for original expenditures made for the Project prior to the date of issuance of the Note; and

WHEREAS, this Resolution is intended to constitute a statement of "Official Intent" pursuant to United States Treasury Regulations §1.150-2, T.D. 8476 (the "Treasury Regulations").

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the Township that:

Section 1. In accordance with the Treasury Regulations, the Township hereby states its intention that a portion of the proceeds of the Note will be used to reimburse itself for expenditures paid for costs of the Project prior to the date of issuance of the Note. All original expenditures to be reimbursed will be capital expenditures (as defined in the Treasury Regulations) and other amounts permitted to be reimbursed pursuant to the Treasury Regulations. The Township intends to reimburse the original expenditures through the incurrence of debt to be evidenced by the Note. The estimated maximum principal amount of the Note to be issued to be used in part to reimburse the costs of the Project paid prior to its issuance is approximately \$137,000.00.

Section 2. Once the Note is issued, the Township shall allocate Note proceeds to reimburse a prior expenditure by making the allocation on its books and records; provided that such costs to be reimbursed were paid not more than 60 days prior to the date hereof, except to the extent that such costs constitute preliminary costs within the meaning of the Treasury Regulations. Such allocation shall specifically identify the actual original expenditure to be reimbursed. Such allocation shall occur not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

Section 3. The Note proceeds used to reimburse the Township for original expenditures will not be used within 1 year after the allocation in a manner that results in the creation of replacement proceeds (as defined in the Treasury Regulations) for the Note or for other bonds.

Section 4. The Township will not use the proceeds of the Note to reimburse, refinance or refund an original expenditure paid by another obligation (either tax-exempt or taxable).

Section 5. This Resolution shall be effective immediately.


Section 6. All resolutions heretofore adopted to the extent the same are inconsistent herewith are hereby repealed.

ADOPTED: January 3, 2011

**BOARD OF SUPERVISORS OF
EAST FALLOWFIELD TOWNSHIP**


Chris Amentas, Chairman

Chris Makely, Vice Chairman


George Broadbent, Member


Gary Barach, Member


Mark Toth, Member

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Chester County, Pennsylvania

Secretary's Certificate

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by a majority vote of the Board of Supervisors of East Fallowfield Township at a meeting of said Board duly and regularly called and held on January 3, 2011; that public notice of said meeting was given in the manner provided by law; that said resolution has been duly recorded upon the minutes of the Board, has not been amended or rescinded and is in full force and effect on the date of this Certificate.

[SEAL]

Denise Miller
Denise Miller, Secretary

Dated: January 3, 2011