

RESOLUTION 2008-1
TOWNSHIP OF RADNOR
TAX AND REVENUE ANTICIPATION NOTE RESOLUTION

WHEREAS, it has been determined that the Township of Radnor (the "Township") will be required to incur temporary indebtedness for the purpose of providing funds during the fiscal year of 2008 for current operating expenses and debt service in the aggregate amount of \$1,310,000, in anticipation of the receipt of taxes, sewer revenues, state subsidies and other current revenues in accordance with the projected budget requirements set forth in the Certificate as to Taxes and Revenues presented to this meeting; and

WHEREAS, the Board of Commissioners (the "Board") of the Township has determined that an invited sale should be conducted with respect to a tax anticipation note, as being in the best financial interest of the Township; and

WHEREAS, pursuant to a Request for Proposals issued on the internet on behalf of the Township by its Financial Advisor, George K. Baum & Company (the "Financial Advisor"), and a subsequent internet sale, four (4) bids have been received for the purchase of a Tax and Revenue Anticipation Note of the Township, Series of 2008, in the principal amount of \$1,310,000, (the "Note") maturing on December 31, 2008; and

WHEREAS, the Financial Advisor has advised the Township that the best bid conforming to the Request for Proposals has been submitted by Commerce Bank, N.A. (the "Purchaser") at an interest rate of 2.64%; and

WHEREAS, the principal amount of the Note will not exceed 85% of the taxes levied by the Township for the current fiscal year and the sewer revenues and other current revenues for such year, not yet received, estimated to be received during the period when the Note will be outstanding, and that the amount of the borrowing represented by the Note will not exceed the limits in such borrowing under either the Local Government Unit Debt Act of Pennsylvania, codified at 53 Pa. C.S. Chapters 80 through 82 (the "Debt Act") or the applicable Treasury Regulations under the Internal Revenue Code of 1987, as amended (the "Code"); and

NOW, THEREFORE, it is hereby resolved by the Board as follows:

1. The Board hereby approves the incurring by the Township of temporary indebtedness, pursuant to the Debt Act for the aforesaid purpose in an aggregate amount not exceeding \$1,310,000.
2. Said temporary indebtedness shall be represented by the Tax and Revenue Anticipation Note, Series of 2008, of the Township, the above-defined Note, which is hereby awarded to the Purchaser on the terms set forth in the Request for Proposals and its above-mentioned bid. The Note, as to both principal and interest, shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts at the

principal office of Commerce Bank, N.A.. The Note shall be dated the date of its issue, which shall be no later than March 1, 2008 and shall mature on December 31, 2008. The Note shall bear interest, payable at maturity at the rate of two and sixty four hundredths percent (2.64%) per annum (based on a 360 day year of 30 day months).

The Note shall be issued in registered form in the denomination of the issue, and shall not be subdividable.

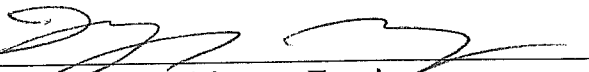
3. The Note shall be a general obligation of the Township and shall be secured by, and there is hereby irrevocably pledged to the registered owner thereof, for the prompt payment of the principal of such Note and the interest thereon, all of the income, revenues and receipts of the Township to be received during the period when the Note will be outstanding, including, but not limited to, all taxes, sewer revenues, state subsidies and reimbursements payable to the Township during such period. There is hereby granted to the owner of the Note, a security interest in and a lien and charge on such income, revenue and receipts, perfected and enforceable in accordance with the terms of the Note. This Resolution and the Act shall constitute a security agreement between the Township and the owner from time to time of the Note.
4.
 - (a) The Township hereby represents to the holder of the Note that the principal amount of the Note does not exceed the maximum anticipated cumulative cash flow deficit of the Township, as defined in Section 148(f)(4)(B)(iii)(II) of the Code, for the period during which the Note will be outstanding.
 - (b) The Township hereby represents to the holder of the Note that the maximum cumulative cash flow deficit of the Township, calculated in accordance with the requirements of Section 148(f) of the Code, will exceed 90% of the original principal amount of the Note within six months after the date of issue of the Note, so that the arbitrage rebate provisions of said Section 148 will be inapplicable to the Note.
 - (c) The Township hereby covenants with all holders of the Note that it will make no investment or other use of any part of the proceeds of the Note, or money treated as such proceeds under the Internal Revenue Code of 1986, as amended (the "Code"), or regulations thereunder, and will not take any other action or omit to take any action, which would cause the Note to be an "arbitrage bond" under the Code, as it may be amended, or any regulation thereunder or which for any other reason would cause the Note to become an obligation the interest on which is not excludable from gross income for federal income tax purposes.

5. The Township hereby warrants to all holders of the Note, that it has not encumbered or pledged its income, revenues or receipts for the fiscal year 2008 to be pledged as provided in section 3 hereof, except for the payment of debt service on its outstanding bonds and except for outstanding current operating expenses incurred for the said fiscal year for the payment of which the Note is to be issued and sold.
6. The Note issued hereunder shall be in substantially the form attached hereto as Exhibit A.
7. Commerce Bank, N.A., (the "Fiscal Agent") is hereby appointed fiscal agent, sinking fund depository and paying agent for the Note, and the proper officers of the Township are hereby authorized and directed to contract with the Fiscal Agent for its services as such. A Sinking Fund for the Note, to be held by the Fiscal Agent, is hereby created, and the proper officers of the Township and hereby authorized and directed to deposit in the Sinking Fund, not later than the opening of business on the maturity date of the Note, immediately available funds in sufficient amount to pay in full the principal of, and interest due on the Note.
8. If the gross proceeds of the Note are invested at a yield greater than the yield on the Note and are not expended, or deemed to have been expended pursuant to in Section 148(f)(4)(B)(iii) of the Code, within six (6) months from the date of issuance, the Township covenants that it will rebate to the U.S. Treasury as required by the Code, within sixty (60) days after the maturity date of the Note, that amount of investment income on the Note proceeds which exceeds the amount which would have been earned had the Note proceeds been invested at a yield equal to the yield on the Note.
9. The Note Purchase Proposal of Commerce Bank, N.A. is hereby accepted and the President or Vice President of this Board and the Secretary thereof are hereby authorized and directed to execute the acceptance by the Township of the Proposal; to execute the Certificate as to Taxes and Revenues, in the form presented to this meeting which is hereby approved, and to file the same together with a certified copy of this Resolution and a correct copy of the proposal of the Purchaser accepted by this Resolution with the Department of Community and Economic Development of the Commonwealth of Pennsylvania, all as required by the Debt Act; and to execute and file appropriate additional certificates as required by the Debt Act.
10. The proper officers of Township are hereby authorized and directed to prepare and file with the Pennsylvania Department of State a financing statement under the Uniform Commercial Code relating to the Note.


11. The President or Vice-President of this Board, is hereby authorized and directed to execute the Note on behalf of the Township, and the Secretary is hereby authorized and directed to affix thereto and attest the seal of the Township.
12. The proper officers of the Township are hereby authorized and directed to execute and deliver a Tax Certificate and Agreement pursuant to the Code and such further documents and certificates and to take such further action as they may deem necessary or proper to issue the Note and to carry out the intent and purpose of this Resolution.
13. This Resolution is hereby declared to be a contract between the Township and the holder from time to time of the Note, which may be amended only with the consent of the holder of the Note outstanding.
14. This Resolution shall take effect immediately.
15. All resolutions and parts of resolutions insofar as they are inconsistent herewith are hereby rescinded.

DULY ADOPTED on January 28, 2008.

TOWNSHIP OF RADNOR

By: 
Harry G. Mahoney, Esquire
President

[SEAL]

Attest: 
Coretta N. Hutchinson
Township Secretary

UNITED STATES OF AMERICA
TOWNSHIP OF RADNOR
DELAWARE COUNTY, PENNSYLVANIA

TAX AND REVENUE ANTICIPATION NOTE, SERIES OF 2008

The Township of Radnor, Delaware County, Pennsylvania (the "Issuer"), for value reached hereby promises to pay to the CEDE & Co. or any subsequent registered owner hereof, upon surrender hereof, the abovementioned principal amount on December 31, 2008, together with interest on said amount from _____, 2008 until maturity or redemption (computed on the basis of a 360-day year of 30 day months) at the rate of two and sixty-four hundredths percent (2.64%) per annum. Both the principal of and interest on the Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States (or by instrument payable in immediately available legal tender as aforesaid), at the office of Commerce Bank, N.A. (the "Sinking Fund Depository") in Philadelphia, Pennsylvania.

This Note represents the entire issue of a Township of Radnor Tax and Revenue Anticipation Note, Series of 2008 (the "Note"), authorized and issued in the principal amount of \$1,310,000 (the "Note") in accordance with the provisions of the Local Government Unit Debt Act, as amended and codified at 53 Pa. C.S. Chapters 80 through 82 (the "Act"), and pursuant to a resolution (the "Resolution") adopted by the governing body of the Issuer.

The Resolution has been filed, together with other required documents, with the Pennsylvania Department of Community and Economic Development. Reference is hereby made to the Act and the Resolution for a complete statement of the rights and limitations of rights of holder of the Note, to all of which the holder hereof by acceptance of this Note assents.

The Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes, sewer rentals and other revenues by the Issuer from the date of original delivery of the Note to the stated maturity date thereof.

The Note is subject to prepayment prior to maturity, at any time at the option of the Issuer at a price equal to the principal amount thereof, plus interest accrued thereon to the date fixed for redemption.

EXHIBIT A

The Note is secured under the Resolution by the pledge of, and security interest in the taxes, sewer rents and other revenues of the Issuer specified in the Resolution to be received during the period when the Note is outstanding. Such pledge and security interest have been perfected and are enforceable in the manner provided by the Act. The Note is a general obligation of the Issuer.

The Issuer covenants that it will deposit in the sinking fund for the Note established by the Resolution with the Sinking Fund Depository the taxes and other revenues collected in amounts which will be sufficient to pay the principal of and interest on the Note as and when the same shall become due and payable and such sinking fund shall be applied exclusively to such purpose.

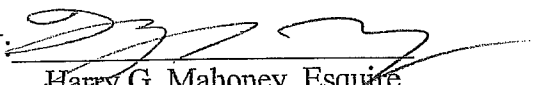
The Issuer covenants that it will not make any use of the proceeds of the Note or do or suffer any other action which would cause the Note to be "arbitrage bonds" as such term is defined in Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Resolution, against any member, officer or employee, past present or future, of the Issuer or of any successor body, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the execution and issuance of this Note.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

IN WITNESS WHEREOF, the Township of Radnor has caused this Note to be signed in its name and on its behalf by the signature of the President or Vice President of its governing body and its seal to be hereunto impressed, duly attested by the signature of the Township Secretary of the Issuer on January 28, 2008.

TOWNSHIP OF RADNOR

BY: 
Harry G. Mahoney, Esquire
President

[Township Seal]

ATTEST: 
Coretta N. Hutchinson
Township Secretary