

RESOLUTION NO. 693

A RESOLUTION OF PENN TOWNSHIP, YORK COUNTY, PENNSYLVANIA (“LOCAL GOVERNMENT UNIT”), AUTHORIZING, THE INCURRING OF LEASE OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$565,595.39 TO BE EVIDENCED BY A LEASE PURCHASE AGREEMENT WITH COMMERCE COMMERCIAL LEASING, LLC (“LESSOR”) TO WHICH THE LOCAL GOVERNMENT UNIT WILL PAY TO LESSOR THE RENTAL PAYMENTS FOR THE PURPOSES OF PROVIDING CERTAIN EQUIPMENT FOR THE LOCAL GOVERNMENT UNIT; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LEASE PURCHASE AGREEMENT; SETTING FORTH THE AMOUNTS OF THE RENTAL PAYMENTS TO BE MADE THEREUNDER AND COVENANTING TO PAY SUCH AMOUNTS FROM CURRENT REVENUES, SUBJECT TO ANNUAL APPROPRIATION; AUTHORIZING AND DIRECTING THE TAKING OF NECESSARY OR APPROPRIATE ACTIONS, INCLUDING EXECUTION AND DELIVERY OF REQUISITE DOCUMENTS IN CONNECTION WITH THE LEASE PURCHASE AGREEMENT; AND TAKING RELATED ACTIONS.

WHEREAS, the Local Government Unit has determined that it is in the best interests of the Local Government Unit to finance certain equipment (“Equipment”) as more particularly described in Exhibit “A” annexed hereto and made a part hereof.

WHEREAS, the Local Government Unit desires by this Resolution to authorize the execution and delivery on behalf of the Local Government Unit of a Lease Purchase Agreement, and to authorize the taking of necessary or appropriate actions to perform the Lease Purchase Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Local Government Unit, as follows:

Section 1. Approval of the Local Government Unit hereby authorizes and approves the financing of the Equipment pursuant to the Lease Purchase Agreement. The Local Government Unit determines to incur lease obligations in an aggregate principal amount not to exceed \$565,595.39 by the execution and delivery of a Lease Purchase Agreement. The Local Government Unit hereby finds and determines that the realistic estimated useful life of the Equipment is at least seven (7) years.

Section 2. Form of Lease Purchase Agreement. The Lease Purchase Agreement will be in a form and substance satisfactory to the Local Government Unit, with the advice of counsel, and shall provide that the Local Government Unit’s repayment obligations thereunder.

Section 3. Execution and Delivery of Lease Purchase Agreement. The proper officers of the Local Government Unit are hereby authorized and directed to execute, attest, seal and deliver the Lease Purchase Agreement in the form provided in Section 2 hereof. Such execution, attestation and delivery of the Lease Purchase Agreement shall constitute conclusive evidence of such approval.

Section 4. Amounts Payable Under Lease Purchase Agreement. The amounts required to be paid under the Lease Purchase Agreement, from the current revenues of the Local Government Unit, are as set forth in Exhibit "B" annexed hereto and made a part hereof.

Section 5. Rental Payments from Current Revenues of Local Government Unit. The Local Government Unit covenants to pay Lessor the rental payments as set forth in Exhibit "B" hereto from current revenues subject to annual appropriation.

Section 6. Qualified Tax Exempt Obligations. The Local Government Unit designates its obligations under the Lease Purchase Agreement as "qualified tax exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 7. Headings and Preambles. The preambles and headings of this Resolution are inserted for ease of reference only and shall not constitute a part of this Resolution.

Section 8. Inconsistent Resolutions and Ordinances Repealed. All Ordinances and Resolutions to the extent inconsistent herewith shall be and the same hereby are rescinded, cancelled and annulled.

RESOLVED by the Local Government Unit, in lawful session assembled on the 2nd day of September, 2008.

ATTEST:

PENN TOWNSHIP
BOARD OF COMMISSIONERS


Secretary

By: 
President

(SEAL)

EXHIBIT "A"

DESCRIPTION OF EQUIPMENT

1 – Fire Truck

EXHIBIT B

TERMS

The Equipment which is the subject of the Lease Purchase Agreement is more fully described in attached Exhibit "A".

2. Fixed Interest Rate: 3.87%

Provided all documents have been returned in a form acceptable to Lessor within thirty days of the Dated Date (the "Period"), the fixed interest rate will remain in effect during the Period. If all documents have not been returned within the Period, Lessor reserves the right to adjust and determine a new fixed interest rate.

Dated Date: _____

	Date	Lease Payment	Interest	Principal	Balance
Lease	08/01/2008				565,595.39
1	08/01/2008	90,287.31	0.00	90,287.31	475,308.08
2	08/01/2009	90,287.31	18,394.42	71,892.89	403,415.19
3	08/01/2010	90,287.31	15,612.17	74,675.14	328,740.05
4	08/01/2011	90,287.31	12,722.24	77,565.07	251,174.98
5	08/01/2012	90,287.31	9,720.47	80,566.84	170,608.14
6	08/01/2013	90,287.31	6,602.54	83,684.77	86,923.37
7	08/01/2014	90,287.31	3,363.94	86,923.37	0.00
Grand Totals		632,011.17	66,415.78	565,595.39	

3. The physical address of the Equipment, [when not in operation], will be:

204 Clover Lane, Hanover, PA 17331

4. Address of the LESSEE, for notification purposes, is:

20 Wayne Avenue, Hanover, PA 17331

5. Address of Lessor for notification purposes, is:

2059 Springdale Road
Cherry Hill, NJ 08003

Acknowledged and Accepted by LESSEE:

LESSEE:
PENN TOWNSHIP

By: JR Garvick
Name: JEFFREY R. GARVICK
Title: MANAGER