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RESOLUTION NO. 2001-5

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA AUTHORIZING THE ISSUANCE OF A \$1,500,000.00 TOWN OF SOUTHWEST RANCHES, FLORIDA, PROMISSORY NOTE IN FAVOR OF BANK OF AMERICA FOR THE PURPOSE OF PROVIDING WORKING CAPITAL; APPROVING THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS; PROVIDING FOR THE REPAYMENT OF SUCH PROMISSORY NOTES FROM CERTAIN AVAILABLE REVENUES OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE DELIVERY OF SUCH PROMISSORY NOTES; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, it is necessary for the Town of Southwest Ranches to borrow \$1,500,000.00 for the purpose of providing working capital until the Town begins receiving revenues.

**WHEREAS**, the Town Council has elected to sign a promissory note in favor of Bank of America.

**NOW THEREFORE BE IT RESOLVED** by the Town Council of the Town of Southwest Ranches, Florida, as follows:

Section 1. That the Town Attorney and Town Administrator of the Town of Southwest Ranches, a municipal corporation organized and validly existing under the laws of the State of Florida (the "Town") are hereby authorized and directed to execute and deliver the necessary loan documents (the "Loan Documents") to borrow \$1,500,000.00 from Bank of America (the "Bank") under a promissory note (the "Working Capital Note") for working capital purposes on the terms described in the attached Exhibit "A"; with execution thereof being conclusive evidence of such approval.

1           Section 2. To secure the payment of all of the Town's obligations to the Bank, the  
2 Town is authorized to pledge to the Bank the Town's revenues received from franchise  
3 fees and utility taxes and the earnings thereon under the Loan Documents and subject  
4 to the provisions of Exhibit "A".

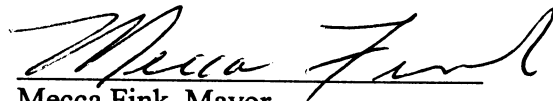
5           Section 3. To secure the payment of all of the Town's obligation to the Bank  
6 under the Working Capital Note, the Town shall annually budget and appropriate from  
7 available non-ad valorem revenues an amount sufficient to pay all amounts due to the  
8 Bank under the Working Capital Note in the applicable budget year under the Loan  
9 Documents and subject to the provisions of Exhibit "A".

10          Section 4. That the Town Attorney and the Town Administrator are each  
11 authorized and directed to execute any and all certifications or other agreements or any  
12 other documents required by the Town Council as a prerequisite or recondition to  
13 making the loan in the Loan Documents, and any such representative made therein  
14 shall be deemed to be made on behalf of the Town. All action taken to date by the  
15 officers of the Town in furtherance of the issuance of the Notes and the making of the  
16 loan is hereby approved, confirmed and ratified.


17          Section 5. That no such Loan Document shall be executed until the Town shall  
18 have received all disclosure information required by Chapter 218, Florida Statutes.

19          Section 6. This Resolution shall become effective upon its passage and  
20 adoption.

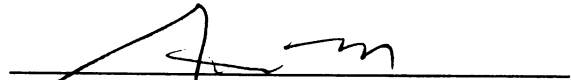
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22           ADOPTED by the Town Council of the Town of Southwest Ranches, Florida, this  
23 9<sup>th</sup> day of November, 2000.

  
Mecca Fink, Mayor

Attest:

  
Katherine V. Selchan, Interim Town Clerk

Approved as to Form and Correctness:

  
Gary A. Poliakoff, J.D., Town Attorney

**EXHIBIT "A"**  
**TO**  
**RESOLUTION NO. 2001-**  
**TOWN OF SOUTHWEST RANCHES, Florida**

**Borrower:** Town of Southwest Ranches (the "Town")

**Lender:** Bank of America

1. **Principal Amount:** \$1,500,000 to be advanced on a revolving basis until November 30, 2002.
2. **Interest Rate:** Fixed Rate of 4.95%
3. **Repayment Terms** Interest payments are due semi-annually. On November 30, 2002, all accrued interest and the outstanding principal is due and payable in full. No principal loan outstandings may be outstanding for a period of not less than 60 days during each of the 12-month periods immediately following the closing.
4. **Use of Funds:** All funds advanced to the Town by the Bank will be utilized for working capital purposes for the Town.
5. **Taxable Interest Rate Adjustment:** The interest rate on the Working Capital Note was set based on the Working Capital Note qualifying as a tax exempt obligation. In the event the Working Capital Note no longer qualifies as a tax-exempt obligation under Section 265 of the Internal Revenue Code, the interest rate will be increased to result in the Bank receiving the same yield.
6. **Security:** The loan will be secured by a pledge of revenues received by the Town from franchise fees, utility taxes and earnings thereon. The Town is required to annually budget for the required interest and principal payments to the Bank.
7. **Financial Reporting:** The Town is required to provide to the Bank the comprehensive annual financial report within 150 days of each fiscal year and the annual operating budget.
8. **Conditions:** The Bank must receive from the Town's counsel an approving opinion addressing legal matters incident to the issuance of the Note including, but not limited to, the excludability from gross income for federal income tax purposes of the interest on the tax-exempt certificate. The Town shall agree to pay for the Bank's and its legal counsel a total fee of \$4,500. The firm Moyle Flanigan Katz Kolins Raymond & Sheehan, has agreed to prepare all loan documents, resolutions, tax opinions and filings for this \$1,500,000 Note for a fee of \$2,500 plus reasonable out of pocket expenses not to exceed \$200, and the Town's legal counsel will review and negotiate the loan documents for a fee of \$2,000 plus reasonable out of pocket expenses not to exceed \$200.

9. Acceptance and Expiration: The Town shall inform the Bank of their acceptance by November 15, 2000. If the loan does not close by December 15, 2000, the Bank's obligations under this agreement will automatically terminate.