

RESOLUTION NO. 2005 – 012

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA, AUTHORIZING A LOAN IN AN AMOUNT NOT TO EXCEED \$600,000 FROM THE COMMUNITY BANK OF BROWARD FOR THE PURPOSE OF ACQUIRING TREES, PLANTS, AND ACCESSORIES (COLLECTIVELY "TREES") IN CONJUNCTION WITH THE TOWN'S PURCHASE OF THE COUNTRY ESTATES OPEN SPACE FISHING HOLE SITE; APPROVING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH COMMUNITY BANK OF BROWARD; PROVIDING FOR THE REPAYMENT OF THE LOAN FROM CERTAIN LEGALLY AVAILABLE NON AD VALOREM REVENUES; AUTHORIZING THE APPROPRIATE TOWN OFFICIALS TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE THE LOAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Southwest Ranches, a municipal corporation, is duly created and existing pursuant to the Constitution and laws of the State of Florida; and

WHEREAS, by Resolution 2004-116, the Town Council authorized the purchase of 13,000 trees, plants, and accessories (collectively "Trees") located on the Country Estates Open Space and Fishing Hole Site, generally located at the southeast corner of Griffin Road and S.W. 190th Avenue, and

WHEREAS, it is hereby determined that a need exists to borrow funds to finance the cost for the acquisition of the Trees associated the Town's purchase of the Country Estates Open Space Fishing Hole Site; and

WHEREAS, it is determined to be in the best interest of the Town to borrow funds from Community Bank of Broward to finance the cost of the purchase and to repay such borrowing by issuing the Town's promissory note, Series 2004, in a principal amount not to exceed \$600,000.

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

Section 1. The above referenced recitals are true and correct and are incorporated herein by reference.

Section 2. AUTHORITY. This Resolution is adopted pursuant to Chapter 166, Florida Statutes, and other applicable provisions of law.

Section 3. PROJECT. The financing of the acquisition of the Trees by Community Bank of Broward is hereby approved.

Section 4. NEGOTIATED LOAN. Due to the nature of the financing, the maturity of the note, and the prevailing market conditions, the negotiated sale of the Note to the Lender in substantial accordance with the Loan Agreement attached hereto as Exhibit "A," is hereby found to be in the best interest of the Town.

Section 5. LOAN AMOUNT. The loan shall be evidenced by a Loan Agreement between the Town and the lender in substantially the form attached hereto as Exhibit "A," including the form of the note attached as an Exhibit thereto. The principal amount of the loan shall not exceed \$600,000. In order to secure the Town's obligations under the Loan Agreement and the note, the Town is authorized to covenant to annually budget and appropriate from its legally available non ad valorem revenues an amount sufficient to pay all amounts due to the lender under the Loan Agreement and the note, all as more particularly described in the Loan Agreement and the note.

Section 6. AUTHORIZED OFFICERS. The Mayor, the Town Administrator and, if necessary, the Town Attorney, are hereby authorized and directed to execute and to deliver a Loan Agreement in substantially the form attached hereto as Exhibit "A," including the form of the note attached as an Exhibit thereto, with such changes, insertions and omissions as may be approved by the Mayor, the Town Administrator and the Town Attorney, the execution thereof being conclusive evidence of such approval.

Section 7. OTHER INSTRUMENTS. The Mayor, the Town Administrator, the Town Attorney, the Town Clerk, or any other appropriate officers of the Town, are hereby authorized and directed to execute any and all certifications or other instruments or documents required by this Resolution, the loan agreement or any other document required by the lender as a prerequisite or precondition to making the loan, and any such representations and agreements made therein shall be deemed to be made on behalf of the Town. All action taken to date by the officers of the Town in furtherance of the issuance of the note and the making of the loan is hereby approved, confirmed and ratified.

Section 8. ADDITIONAL INFORMATION. The loan agreement shall not be executed and delivered unless and until the Town has received all information required by Section 218.385, Florida Statutes.

Section 9. EXECUTION. The Mayor, Town Administrator and Town Attorney are hereby authorized to execute such documents and to make such modifications,


additions, and/or deletions, which they deem necessary and proper to effectuate the purpose and intent of this Resolution.

Section 10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Town Council of the Town of Southwest Ranches, Florida, this 10th day of November 2004, on a motion by Vice Mayor Aster Knight and seconded by Council Member Don Maines.

Fink	<u>Y</u>
Knight	<u>Y</u>
Blanton	<u>Y</u>
Maines	<u>Y</u>
Nelson	<u>Y</u>

Ayes	<u>5</u>
Nays	<u>0</u>
Absent or Abstaining	<u>0</u>



Mecca Fink, Mayor

ATTEST:



Shari Canada, Town Clerk

Approved as to Form and Correctness:



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

877756_1.DOC

Exhibit "A"

LOAN AGREEMENT

THIS LOAN AGREEMENT is entered into as of this 12th day of November, 2004, by and between COMMUNITY BANK OF BROWARD, a Florida banking corporation ("Lender"), and the TOWN OF SOUTHWEST RANCHES, a Florida municipal corporation (the "Town").

In consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used herein, unless the context otherwise requires:

"Act" means, as applicable, Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Town of Southwest Ranches, Resolution No. 2005-__ adopted by the Town on November 10, 2004, and other applicable provisions of law.

"Agreement" means this Loan Agreement between Lender and the Town, as it may be amended from time to time.

"Annual Budget" means the annual budget prepared by the Town for each Fiscal Year in accordance with Section 9 below and in accordance with the laws of the State of Florida.

"Business Day" means any day which is not a Saturday, Sunday or legal holiday in Broward County, Florida.

"Chief Financial Officer" means the chief financial officer of the Town as defined in Section 218.403, Florida Statutes.

"Clerk" means the Town Clerk or any Deputy Clerk of the Town.

"Costs of the Project" means with respect to the Project, all items of cost authorized by the Act, including the costs of issuance of the Note.

"Dated Date" means the date of issuance of the Note.

"Fiscal Year" means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Town pursuant to general law.

"Governing Body" means the Town Council of the Town, or its successor in function.

"Lender" means Community Bank of Broward, a Florida banking corporation, the initial purchaser of the Note.

"Mayor" means the Mayor of the Town and such other person as may be duly authorized to act on the Mayor's behalf.

"Non-Ad Valorem Revenues" means all revenues of the Town derived from any source other than ad valorem taxation on real or personal property, which are legally available to make the payments required under this Agreement.

"Noteholder" or "Holder" means the registered owner (or its authorized representative) of the Note.

"Note" means the Town's Promissory Note, Series 2004, authorized to be issued by the Town in the aggregate principal amount not to exceed \$600,000, the form of which is attached as Exhibit "I" hereto.

"Project" means the acquisition by the Town of trees, plants and accessories located on the "Country Estates Fishing Hole Site" generally located at the southeast corner of Griffin Road and S.W. 190th Avenue, Southwest Ranches, Broward County, Florida.

"Resolution" means Resolution 2005-012, adopted by the Governing Body on November 10, 2004, authorizing the issuance of the Note, as the same may from time to time be amended, modified or supplemented.

"State" means the State of Florida.

"Town" means the Town of Southwest Ranches, a Florida municipal corporation, or its successor.

"Town Administrator" means the Town Administrator of the Town and such other person as may be duly authorized to act on his or her behalf.

SECTION 2. PURCHASE AND SALE OF NOTE. Subject to and in accordance with the provisions of this Agreement, the Town agrees to issue, and Lender agrees to purchase, the Note. The Town shall use the proceeds from the sale of the Note to finance the Project and for no other purpose.

SECTION 3. DESCRIPTION OF NOTE.

A. The Note shall be issued in one (1) typewritten certificate and shall be dated the Dated Date. The Note shall bear interest from the Dated Date at an initial rate of 5.00%. The interest rate on the Note shall be automatically adjusted to the interest rate listed in the previous edition of the Wall Street Journal as the "Prime Rate", plus 0.25%, as such rate may change from time to time. Principal of the Note will be payable two years from the Dated Date. Accrued interest on the Note will be payable on the 12th day of each month, beginning December 12, 2004. Interest on the Note shall be calculated on the basis of a 360 day year for the actual number of days elapsed.

B. Details of the Note. Details of the Note shall be as provided in the form of Note attached as Exhibit "I" hereto. The Note shall be in registered form, contain substantially the same terms and conditions as set forth in Exhibit "I" hereto, shall be payable in lawful money of the United States of America, and the principal thereof, interest thereon and any other payments there under shall be payable by check, wire, draft or bank transfer to the Holder at such address as may be provided in writing by such Holder to the Town Administrator. So long as the Note shall remain outstanding, the Town shall maintain and keep books for the registration and transfer of the Note.

The Note shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration of transfer contained in this Agreement and in the Note.

The Note may be assigned as to principal and interest by Lender, or any assignee or successor-in-interest of Lender. Such assignment shall only be effective, and the Town obligated to pay such assignee, upon written notice of assignment being provided to the Town Administrator at 6589 SW 160th Avenue, Southwest Ranches, Florida 33331 (or such future address as may serve as the address of the Town); provided, however, the written notice of assignment must be received by the Town Administrator no later than the close of business on the fifth Business Day prior to a payment date in order to carry the right to receive the interest and principal payment due on such payment date. The Town may charge the registered owner of the Note for the registration of every such assignment of the Note sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid, except for any such governmental charge imposed by the Town, with respect to the registration of such assignment, and may require that such amounts be paid before any such assignment of the Note shall be effective.

In addition, the Town acknowledges and agrees that the Lender may assign or convey participation interests in the Note to other financial institutions, either before or subsequent to the Dated Date.

SECTION 4. EXECUTION OF NOTE. The Note shall be executed in the name of the Town by the Mayor and the seal of the Town shall be imprinted, reproduced or lithographed on the Note and attested to by the Town Administrator. Both the Mayor and the Town Administrator shall execute the Note manually, and not by facsimile. If any officer whose signature appears on the Note ceases to hold office before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes. In addition, the Note may bear the signature of, or may be signed by, such persons as at the actual time of execution of the Note shall be the proper officers to sign the Note although at the date of the Note or the date of delivery thereof such persons may not have been such officers.

SECTION 5. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. If the Note is mutilated, destroyed, stolen or lost, the Town may, in its discretion (i) deliver a duplicate replacement Note, or (ii) pay a Note that has matured or is about to mature. A mutilated Note shall be surrendered to and canceled by the Town Administrator or its duly authorized agent. The Holder must furnish the Town or its agent proof of ownership of any destroyed, stolen or lost Note; post satisfactory indemnity; comply with any reasonable conditions the Town or its agent may prescribe; and pay the Town's or its agent's reasonable expenses.

Any such duplicate Note shall constitute an original contractual obligation on the part of the Town whether or not the destroyed, stolen, or lost Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on, and source of and security for payment from, the funds pledged to the payment of the Note so mutilated, destroyed, stolen or lost.

SECTION 6. PROVISIONS FOR REDEMPTION. The Note may be prepaid in whole or in part at any time prior to maturity without premium or penalty in the manner provided in the form of Note attached as Exhibit "I" hereto.

SECTION 7. NOTE NOT TO BE GENERAL INDEBTEDNESS OF THE TOWN. The Note shall not be or constitute a general obligation or indebtedness of the Town within the meaning of the Constitution of Florida, but shall be payable from and secured solely in the manner described in Section 8 hereof, in the manner and to the extent herein provided. No Holder shall ever have the right to compel the exercise of the ad valorem taxing power of the Town or taxation in any form on any real or personal property to pay the Note or the interest thereon, nor shall any Holder be entitled to payment of such principal and interest from any funds of the Town other than the Non-Ad Valorem Revenues. The Holder shall have no lien upon the Project.

SECTION 8. COVENANT TO BUDGET AND APPROPRIATE. The Town hereby covenants to budget and appropriate in its Annual Budget, by amendment if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay the principal of and interest on the Note coming due in such Fiscal Year, until the Note has been paid in

full. Such covenant to budget and appropriate such non-Ad Valorem Revenues shall be cumulative to the extent not paid, and continue until such Non-Ad Valorem Revenues in amounts sufficient to make all payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Town, the Town does not covenant to maintain any services or programs, now provided or maintained by the Town which generate Non-Ad Valorem Revenues.

SECTION 9. OPERATING BUDGET; FINANCIAL STATEMENTS. Before the first day of each Fiscal Year, the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a detailed Annual Budget. Such Annual Budget shall provide for revenues sufficient to comply with the Town's obligations hereunder, including any unsatisfied obligations from prior Fiscal Years. The Town shall annually provide to Lender a copy of the Annual Budget and the Town's audited financial statements prepared in accordance with law, each within thirty (30) days of its completion. The Town shall also provide the Lender internally prepared semi-annual financial statements no later than ninety (90) days after the end of each March 31 and September 30, or more often if requested by the Lender.

SECTION 10. ISSUANCE OF ADDITIONAL OBLIGATIONS PROHIBITED. The Town will not issue any obligations or incur any liability payable or secured by a covenant to budget and appropriate Non-Ad Valorem Revenues, or by a pledge of a particular source of Non-Ad Valorem Revenues, and having a right to payment therefrom, whether prior to, on a parity with or subordinate to, the right to payment therefrom of the Note, without the written consent of the Lender, which may be given or withheld in the Lender's sole discretion.

SECTION 11. MODIFICATION, AMENDMENT OR SUPPLEMENT. No modification, amendment or supplement of this Agreement may be made except by written instrument executed by Holder and the Town.

SECTION 12. EVENTS OF DEFAULT; REMEDIES.

A. Events of Default. Any one or more of the following events shall be an "Event of Default":

(i) The Town shall fail to pay the principal of or interest on the Note when due;

(ii) The Town shall default under any obligation for the repayment of money;

(iii) The Town shall (a) admit in writing its inability to pay its debts generally as they become due, (b) file (or have filed against it and not dismissed within 90 days) a petition in bankruptcy or take advantage of any insolvency act, (c) make an assignment for the general benefit of creditors, (d) consent to the appointment of a

receiver for itself or for the whole or any substantial part of its property, or (e) be adjudicated a bankrupt; or

(iv) The Town shall default in the due and punctual performance of any of its covenants, conditions, agreements and provisions contained herein, in the Resolution or in the Note, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Town by the Lender; provided that such default shall not be an Event of Default if the Town within such 30 day period commences and carries out with due diligence to completion (although not necessarily within such thirty (30) day period) such action as is necessary to cure the same.

B. Remedies on Default. If an Event of Default shall have occurred and be continuing, the Lender may proceed to protect and enforce its rights hereunder by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or for enforcement of any proper legal or equitable remedy as such Lender shall deem most effectual to protect and enforce the rights aforesaid.

No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

No delay or omission of the Lender to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein; and every power and remedy given by this article may be exercised from time to time, and as often as may be deemed expeditious by the Lender.

SECTION 13. CLOSING COSTS. The Town shall be responsible for paying all fees and costs in connection with the issuance of the Note, including, but not limited to, the fees and costs of Lender's counsel.

SECTION 14. WAIVER OF JURY TRIAL. LENDER AND THE TOWN HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE RESOLUTION, THIS AGREEMENT, THE NOTE OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF EITHER PARTY.

SECTION 15. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Agreement should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Agreement or of the Note issued hereunder, which remaining covenants, agreements and provisions shall remain in full force and effect.

SECTION 16. NO THIRD-PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and a subsequent holder of or the holder of a participation interest in the Note issued hereunder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the holder from time to time of the Note issued hereunder.

SECTION 17. CONTROLLING LAW; MEMBERS OF TOWN NOT LIABLE. The Town agrees that all covenants, stipulations, obligations and agreements of the Town contained in the Resolution, this Agreement and the Note shall be covenants, stipulations, obligations and agreements of the Town to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. Lender agrees and acknowledges that no covenant, stipulation, obligation or agreement contained in the Resolution, this Agreement or the Note shall be a covenant, stipulation, obligation or agreement of any present or future member, agent, officer or employee of the Town or the Governing Body of the Town in his or her individual capacity, and that neither the members or officers of the Governing Body of the Town nor any official executing the Note shall be liable personally on the Note or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Note by the Town or such members thereof.

SECTION 18. EFFECTIVE DATE. This Agreement shall take effect immediately upon being executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

[SEAL]

TOWN OF SOUTHWEST RANCHES

BY: _____
MECCA FINK, MAYOR

BY: _____
JOHN CANADA, TOWN ADMINISTRATOR

Approved as to form and correctness

Becker & Poliakoff, P.A., Town Attorney

COMMUNITY BANK OF BROWARD

BY: _____
STEVEN C. SCHULTZ
VICE PRESIDENT

EXHIBIT "I"

(Form of Note)

REGISTERED
No. R-1
\$600,000.00

REGISTERED

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF SOUTHWEST RANCHES
PROMISSORY NOTE, SERIES 2004

Initial Interest Rate:

Maturity Date:

Dated Date:

5.00%

November 21, 2006

November 12, 2004

REGISTERED OWNER: COMMUNITY BANK OF BROWARD

PRINCIPAL AMOUNT: SIX HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Southwest Ranches, Florida, a municipal corporation of the State of Florida (hereinafter called the "Town") for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the dates hereinafter provided, the Principal Amount identified above, and to pay, solely from such revenues, interest on the Principal Amount remaining unpaid from time to time, at the interest rate per annum identified above, subject to adjustment as hereinafter provided (the "Bond Rate"), until the entire Principal Amount has been repaid. Principal of and interest on this Note will be paid by bank wire, check, draft or bank transfer delivered to the Registered Owner hereof at his address as it appears on the registration books of the Town at the close of business on the fifth Business Day (as defined in the hereinafter described Agreement), of the month next preceding the interest payment date (the "Record Date").

The interest rate on this Note shall be automatically adjusted to the interest rate listed in the previous edition of the Wall Street Journal as the "Prime Rate", plus 0.25 %, as such rate may change from time to time.

Interest on this Note shall be calculated on the basis of a 360 day year for the actual number of days elapsed.

Payments of accrued interest will be due on this Note on the 12th day of each month, beginning December 12, 2002. The principal of the Note will be due November 12, 2006.

Each date when principal and/or interest on this Note is due is a "Payment Date." If any Payment Date is not a Business Day, the payment otherwise due on such Payment Date shall be due on the preceding Business Day.

Any payment of principal hereof or interest hereon not paid when due shall bear interest from the due date until paid at the Bond Rate.

This Note is the entire authorized issue of notes in the aggregate principal amount of \$600,000, issued to finance the acquisition of the Project (as defined in the Agreement), pursuant to the authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Article VIII, Section 2 of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Town, and Resolution No. 2005-012, adopted by the Town Council of the Town on November 10, 2004 (collectively, the "Act"), and a Loan Agreement between the Town and Community Bank of Broward dated November 12, 2004 (the "Agreement").

This Note and the interest hereon are secured by the Town's covenant to budget and appropriate in each of its Fiscal Years (as defined in the Agreement) from Non-Ad Valorem Revenues (as defined in the Agreement) amounts sufficient to pay the principal of and interest on this Note coming due in such Fiscal Year, until the Note has been paid in full. Reference is hereby made to the Agreement for the provisions, among others, relating to the terms and security for the Note, the custody and application of the proceeds of the Note, the rights and remedies of the Registered Owner of the Note, and the extent of and limitations on the Town's rights, duties and obligations, to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Note. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Agreement.

The interest rate borne by this Note shall be adjusted automatically as of the effective date of any change in the maximum Federal income tax rate applicable to corporations, presently 35%, to that interest rate which would, based on a certificate of the Lender, result in the same after tax return to the Lender.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN, OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY

CONSTITUTIONAL, LEGISLATIVE OR CHARTER PROVISION OR LIMITATION, AND IT IS EXPRESSLY AGREED BY THE REGISTERED OWNER OF THIS NOTE THAT SUCH REGISTERED OWNER SHALL NEVER HAVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE TOWN OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF FLORIDA OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS NOTE OR FOR THE PAYMENT OF ANY OTHER AMOUNTS PROVIDED FOR IN THE AGREEMENT.

It is further agreed between the Town and the Registered Owner of this Note that this Note and the indebtedness evidenced hereby shall not constitute a lien upon the Project, or any part thereof, or any other tangible personal property of or in the Town. Neither the members of the governing body of the Town nor any person executing the Note shall be liable personally on the Note by reason of its issuance.

This Note shall be subject to prepayment at the option of the Town in whole or in part on any date at a price equal to the principal amount being prepaid plus accrued interest thereon. In the event of any partial prepayment of this Note, each partial payment shall be applied first to accrued interest hereon, and then to principal.

The registration of this Note may be assigned upon the registration books upon delivery to the Town Administrator accompanied by a written instrument or instruments of assignment in the form provided herein, duly executed by the owner of this Note or by his attorney-in-fact or legal representative, containing written instructions as to the details of assignment of this Note, along with the social security number or federal employer identification number of such assignee. In all cases of an assignment of this Note, the Town shall at the earliest practical time in accordance with the provisions of the Agreement enter the change of ownership in the registration books. The Town may charge the owner of such Note for the registration of every such assignment of a Note an amount sufficient to reimburse it for any tax, fee or any other governmental charge required (other than by the Town) to be paid with respect to the registration of such assignment, and may require that such amounts be paid before any such assignment of a Note shall be effective.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable hereto, and that the issuance of the Note does not violate any constitutional or statutory limitation or provision.

THE REGISTERED OWNER, BY ITS ACCEPTANCE OF THIS NOTE, AND THE TOWN, BY ITS ACCEPTANCE OF THE PROCEEDS OF THE NOTE, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE, THE AGREEMENT OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OR DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

IN WITNESS WHEREOF, the Town of Southwest Ranches, Florida has issued this Note and has caused the same to be executed by the manual signature of the Mayor, and attested by the manual signature of the Town Administrator and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 12th day of November, 2004.

[SEAL]

TOWN OF SOUTHWEST RANCHES

BY: _____
Mecca Fink, MAYOR

Approved as to form and correctness

BY: _____
John Canada, TOWN ADMINISTRATOR

Becker & Poliakoff, P.A., Town Attorney

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights there under, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note in the books kept by the Town for the registration thereof, with full power of substitution in the premises.

Dated: _____

SOCIAL SECURITY NUMBER OR
FEDERAL IDENTIFICATION NUMBER
OF ASSIGNEE

NOTICE: The signature of this assignment must correspond with the name as it appears upon the within Note in every particular, without enlargement or alteration or any change whatever.

[Form of Abbreviations]

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian for _____ (Cust.) (Minor)
under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used
though not in the above list.