

**RESOLUTION NO. 15-08-08**

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT AUTHORIZING THE NEGOTIATION OF A LOAN IN AN AGGREGATE AMOUNT NOT TO EXCEED \$25,000,000 FROM THE FLORIDA RURAL UTILITY FINANCING COMMISSION FOR THE PURPOSE OF PROVIDING A PORTION OF THE COSTS OF IMPROVEMENTS TO THE DISTRICT'S WASTEWATER SYSTEM; APPROVING THE EXECUTION OF A LOAN AGREEMENT BETWEEN THE KEY LARGO WASTEWATER TREATMENT DISTRICT AND THE FLORIDA RURAL UTILITY FINANCING COMMISSION TO PROVIDE INTERIM FINANCING TO THE KEY LARGO WASTEWATER TREATMENT DISTRICT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Key Largo Wastewater Treatment District, as follows:

**SECTION 1. AUTHORITY FOR RESOLUTION.** This resolution is adopted pursuant to the provisions of the Constitution of Florida, the Key Largo Wastewater Treatment District Act (Chapter 2002-337, Laws of Florida), as amended, Chapter 189, Florida Statutes, and other applicable provisions of law.

**SECTION 2. FINDINGS.** It is hereby found and determined that:

(A) Certain participating counties (the "Members") have created the Florida Rural Utility Financing Commission (the "Commission") pursuant to a certain Interlocal Agreement and Chapter 163, Part I, Florida Statutes, for the purpose of issuing its notes to make loans to governmental units for qualified projects.

(B) The Key Largo Wastewater Treatment District (the "District") desires to obtain such a loan.

(C) For the benefit of the customers, the District finds, determines and declares that it is necessary for the continued preservation of the health, welfare, convenience and safety of the District and its customers to construct improvements to the wastewater system (the "Project").

(D) It is necessary for the District to raise a portion of the cost of such undertaking by obtaining a commitment for permanent financing in the principal amount of at least Twenty-Five Million Dollars (\$25,000,000). The District intends to obtain permanent financing through the

Florida Department of Environmental Protections' Bureau of Water Facilities Funding through its Clean Water State Revolving Fund ("SRF").

(E) DEP authorized the District to incur construction costs. To ensure continued allowability of the Project costs for financing, the District must satisfy certain loan program requirements. The loan may be additionally secured by a lien upon a pledge of the net revenues to be derived by the District from the operation of the District's wastewater system.

(F) It is necessary and urgent that funds be made immediately available in order to provide funds to commence construction of the Project at this time. The District intends to obtain interim financing from the Florida Rural Utility Financing Commission and has made application to the Commission for the purpose of borrowing monies to provide for the commencement of the construction of the Project. In order to obtain such monies, the District is required to enter into a Loan Agreement with the Commission.

**SECTION 3.** The financing of the construction of the Project is hereby approved.

**SECTION 4.** The Chairman or Vice Chairman and District Clerk of the District are hereby authorized to execute and deliver a Loan Agreement, to be entered into by and between the District and the Commission in substantially the form attached hereto as Exhibit "A" with such changes, insertions and omissions as may be approved by the District, the execution thereof being conclusive evidence of such approval. Such Loan Agreement shall be secured in the manner set forth therein. The Chairman and District Clerk or any other appropriate officers of the District are hereby authorized to execute and deliver on the District's behalf such instruments, documents or certificates required by this Resolution, the Loan Agreement or any other document required by the Commission as a prerequisite or precondition to making the Loan, and any such representation made therein shall be deemed to be made on behalf of the District. All action taken to date by the officers of the District in furtherance of the Loan is hereby approved, confirmed and ratified.

**SECTION 5.** The Chairman or Vice Chairman is hereby authorized to arrange the interim financing to pay the costs of the Project in anticipation of the issuance of the long-term financing. The Chairman or Vice Chairman and District Clerk of the District are hereby authorized to execute and deliver on the District's behalf such instruments, documents or certificates required by this Resolution, the Loan Agreement or any other document required by the Commission as a prerequisite or precondition to making the Loan, and any such representation made therein shall be deemed to be made on behalf of the District. All action taken to date by the officers of the District in furtherance of the Loan is hereby approved, confirmed and ratified.

**SECTION 6.** The Chairman or Vice Chairman is authorized to approve the interest rate, maturity of the financing and any other terms of the financing, without further approval of the District Board of Commissioners, upon satisfaction of the following conditions: (i) the issuance of not exceeding \$25,000,000 aggregate principal amount of the Loan at a interest rate not to exceed 5.0%, (ii) the final maturity of the Loan shall be not later than September 1, 2013 and (iii) the Loan

may be secured by the net revenues derived yearly from the operation of the District's water and wastewater systems.

**SECTION 7.** No such Loan Agreement shall be executed until the District shall have received all disclosure information required by Chapter 218, Florida Statutes.

**SECTION 8.** In accordance with the provisions of Section 218.385, Florida Statutes, the District hereby determines that a negotiated sale is in the best interest of the District and hereby approves the negotiation of the Loan with the Commission. Negotiation of the Loan will allow the District to access markets not otherwise accessible to the District at total costs and rates favorable to the District.

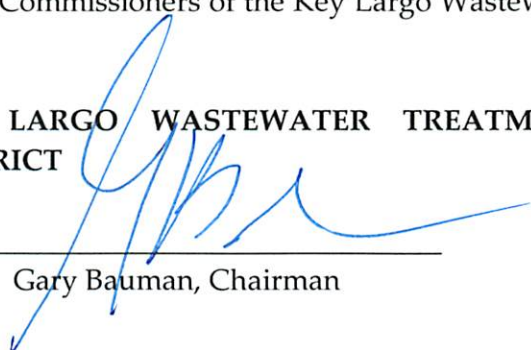
**SECTION 9.** The District expects to expend the proceeds of the Loan within five (5) years from the date of receipt of such proceeds.

**SECTION 10. SEVERABILITY.** If any one or more of the provisions of this Resolution 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 reasons whatsoever be held invalid, then such provisions shall be null and void and shall be deemed separate from the remaining provisions, and in no way affect the validity of all the other provisions of this Resolution.


**SECTION 11. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Key Largo Wastewater Treatment District this 21<sup>st</sup> day of August, 2008.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By:   
Gary Bauman, Chairman

ATTEST  
  
Carol Walker, District Clerk

Approved as to form:  
  
Thomas Dillon, District Counsel