

RESOLUTION NO. 2021-03

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY COLONY BEACH, FLORIDA AUTHORIZING A LOAN IN THE PRINCIPAL AMOUNT OF \$1,500,000 TO REFINANCE CERTAIN EXISTING LOANS TO THE CITY AND TO PAY THE COSTS OF SUCH LOAN; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A PROMISSORY NOTE AND A LOAN AGREEMENT WITH FIRST HORIZON BANK; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY COLONY BEACH, FLORIDA (the "City") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Charter of the City, Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act

Section 2. Definitions. Words and phrases used herein capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings when used herein:

"Authorized Signatories" means the Mayor or Vice Mayor of the Commission, or in their absence or inability to act, any other designee of the Mayor or Vice Mayor.

"Commission" means the City Commission of the City.

"Initial Purchaser" means First Horizon TE1, LLC.

"Loan" means the loan from the Initial Purchaser to the City pursuant to the Loan Agreement.

"Loan Agreement" has the meaning ascribed thereto in Section 4 hereof.

"Loan Amount" means an amount not to exceed \$1,500,000.

"Note" has the meaning ascribed thereto in Section 4 hereof.

"Refunded Loans" means that certain loan made to the City by Centennial Bank and that certain loan made to the City by Iberia Bank a division of First Horizon Bank, N.A (as successor to Orion Bank).

Section 3. Findings.

A. The City is authorized under the Act to issue the Note for the purpose of refinancing the Refunded Loans and paying the costs of the Loan.

B. It is hereby ascertained, determined and declared that it is in the best interest of the City to obtain the Loan from and to borrow from the Initial Purchaser, an amount not exceeding the Loan Amount, to issue the Note to refinance the Refunded Loans and to pay the costs of the Loan pursuant to the terms as provided in the Term Sheet from the Initial Purchaser attached as Exhibit "B" hereto and in the Loan Agreement and the Note.

C. The principal of and interest on the Note and all other payments provided for in the Loan Agreement will be secured solely by a pledge of, and will be payable from the Pledged Funds (as defined in the Loan Agreement), which the City has full power and authority to pledge in the manner provided in the Loan Agreement, the ad valorem taxing power of the City will never be necessary, pledged or authorized to pay the principal of and interest on the Note.

Section 4. Authorization of Transaction. In order to obtain funds to refinance the Refunded Loans and to pay the costs of the Loan, the City is hereby authorized to obtain the Loan from and to borrow from the Initial Purchaser, an amount not exceeding the Loan Amount pursuant to the terms as provided in the Term Sheet from the Initial Purchaser attached as Exhibit "B" hereto and in the Loan Agreement and Note.

The Commission has determined in accordance with Section 218.385, Florida Statutes that it is in the City's best interest to negotiate for the sale of the Note to the Initial Purchaser. Because of prevailing and anticipated market conditions and the nature of the Loan, it is not feasible, cost effective or advantageous to issue the Note through a competitive sale and it is in the best interest of the City to accept the terms of the Loan from the Initial Purchaser in a principal amount not exceeding the Loan Amount, at a negotiated sale upon the terms and conditions outlined herein and in the Loan Agreement and as determined by the Authorized Signatory executing the Loan Agreement in accordance with the terms hereof.

Prior to its execution and delivery of the Loan Agreement and the Note, the City shall have received from the Initial Purchaser a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, and a Truth-in-Bonding Statement pursuant to Section 218.385(3), Florida Statutes, and no further disclosure is or shall be required by the City.

The payment of the principal of, premium, if any, and interest under the Loan Agreement and the Note shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Funds, all in the manner and to the extent provided in the Loan Agreement. The City does hereby irrevocably pledge such Pledged Funds to the payment of the principal of, premium, if any, and interest under the Loan Agreement and the Note.

Section 5. Loan Agreement and Promissory Note. The Authorized Signatories are authorized on behalf of the City to execute a Loan Agreement with the Initial Purchaser in substantially the form attached hereto as Exhibit "A" (the "Loan Agreement") and to make and deliver to the Initial Purchaser the Revenue Promissory Note, Series 2021 evidencing the Loan thereunder (the "Note") in the form attached to the Loan Agreement as Exhibit "A." The forms and terms of the Loan Agreement and the Note are hereby approved by the City, and the Authorized Signatories are authorized to execute the same, with such changes, including, without limitation, the principal amount (not to exceed the Loan Amount) and amortization installments, as may be approved by the Authorized Signatories, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatories. The Loan Agreement and all other

related documents in connection therewith may be executed by electronic means. The City Clerk or any Assistant City Clerk is authorized to attest the signature of the Authorized Signatories.

Section 6. Designation of Qualified Tax Exempt Obligation. The City designates the Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City and any issuer of "tax-exempt" debt that issues "on behalf of" the City do not reasonably expect during the calendar year 2021 to issue more than \$10,000,000 of "tax-exempt" obligations including the Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (except for qualified 501(c)(3) bonds as defined in Section 145 of the Code).

Section 7. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 8. Approval of Refinancing and Payment of Costs of Issuance. The refinancing of the Refunded Loans and payment of the costs of issuance are hereby approved and authorized, subject to the issuance of the Note for such purpose in accordance with the terms hereof.

Section 9. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the Act.


Section 10. Authorizations. The Authorized Signatories and City Clerk or any Assistant City Clerk are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the City that are necessary or desirable in connection with the Loan, the execution and delivery of the Loan Agreement and the Note and the refinancing of the Refunded Loans.

Section 11. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 12. Effective Date. This Resolution shall take effect immediately upon its adoption.

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PASSED AND CERTIFIED AS TO PASSAGE this 25th day of February, 2021.



Ron Sutton, Mayor
CITY OF KEY COLONY BEACH,
FLORIDA

ATTEST:



Rebecca Todd, City Clerk

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