

## RESOLUTION NO. 2023- R02

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CALLAHAN, FLORIDA APPROVING AND AUTHORIZING THE BORROWING OF A NEW \$1,000,000.00 REVOLVING LINE OF CREDIT TO BE USED TO SUPPORT A MAJOR WATER PROJECT TO TRANSPORT AND TREAT WATER TO THE 1,814 ACRE CRAWFORD DIAMOND INDUSTRIAL PARK (THE “PROJECT”)**

### RECITALS

**WHEREAS**, the Project, with a current budget of \$14,400,000.00, is being funded through 3 primary sources two of which are grants from the State of Florida through the Department of Economic Opportunity (the “*DEO*”). These grants are in the amounts of \$4,000,000.00 and \$5,000,000.00. The Town of Callahan, Florida is also receiving funds through an interlocal agreement with the Nassau County Board of County Commissioners in the amount of \$4,500,000.00 (the “*Interlocal Agreement*”);

**WHEREAS**, within the DEO portion of the Project, construction costs, draws are to be paid in advance by the Town of Callahan, Florida with reimbursement provided by the DEO upon review of all required documentation indicating approval of all work completed and verification of bank cleared checks for all payments. For completion of all needed documentation and processing time, it is expected each draw will take approximately 8-10 weeks to be reimbursed. In each of the grants, there are specific portions of the Project that are specific to the delivery and treatment of the water that are being funded;

**WHEREAS**, the Interlocal Agreement also has specific Project usages which when accompanied by the grants will fulfill the vast amount of Project needs. It is anticipated these funds will be used as needed to fund those portions of the Project not being reimbursed by the grant monies;

**WHEREAS**, the Town of Callahan, Florida desires to enter into a loan agreement with First Federal Bank and anticipates utilizing the revolving line of credit to supplement in whole or in portion, to pay the construction draws as presented. The Town of Callahan, Florida anticipates the revolving line of credit will be paid in full upon each reimbursement of each payment made and processed. The Project is expected to be completed within 24 months; and



**WHEREAS**, First Federal Bank has agreed to loan the Town of Callahan, Florida \$1,000,000.00 to supplement in whole or in portion, to pay the construction draws as presented.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Callahan, Florida (the “*Town Council*”), on behalf of and as the governing body of the Town of Callahan, Florida, a Florida Municipal Entity established under Chapter 165 of the Florida Statutes, that:

**APPROVAL OF REVOLVING LINE OF CREDIT.** The Town Council hereby approves the Town of Callahan, Florida entering into that certain revolving line of credit in an amount up to \$1,000,000.00 with First Federal Bank, located at 1891 South 14<sup>th</sup> Street, Fernandina Beach, FL 32034.

**THE ENTITY’S EXISTENCE.** The complete and correct name of the governmental entity is the Town of Callahan, Florida (“*Entity*”). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of Florida. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at 542300 US Hwy 1, Callahan, FL 32011. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority of court applicable to the Entity and the Entity’s business activities.

**INCUMBENCY.** The following is a signature specimen for the following named persons who are Authorized Officials who are authorized to execute documents on behalf of the Town of Callahan, Florida:

<u>Names</u>	<u>Titles</u>	<u>Authorized</u>	<u>Actual Signatures</u>
Randy Knagge	Town Mayor	Y	
Shawna Gugliuzza	Town Clerk	Y	

**ACTIONS AUTHORIZED.** Randy Knagge and Shawna Gugliuzza may at the direction of The Town of Callahan Town Council and consistent with applicable law, enter into any agreements of any nature with First Federal Bank (the “*Lender*”), for the benefit of the Town of Callahan, and those agreements will bind the Entity. Specifically, consistent with the foregoing, but without limitation, Randy Knagge and Shawna Gugliuzza are authorized, empowered, and directed to do the following for and on behalf of the Entity:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in Randy Knagge’s and Shawna Gugliuzza’s judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity’s credit accommodations, on Lender’s forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity’s indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings,

consolidations, or substitutions for one of more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instructions, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, **including agreements waiving the right to a trial by jury**, as Randy Knagge and Shawna Gugliuzza may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from the Entity, at Lender's address shown above (or such other addresses as Lender may designate from time to time), written notice of revocation of such authority: **Randy Knagge and Shawna Gugliuzza.**

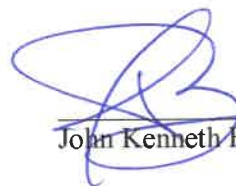
**ASSUMED BUSINESS NAMES.** The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business: **None.**

**NOTICES TO LENDER.** The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C) change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the Entity and Lender.

**CERTIFICATION CONCERNING OFFICIALS AND RESOLUTIONS.** The Authorized Officials named above are duly elected, appointed, or employed by or for the Entity, as the case may be, and occupy the positions set opposite their names. This Resolution now stands of record on the books of the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time) or until such time as the named individuals no longer hold the positions identified with them above, which ever occurs first. Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

PASSED AND ADOPTED at a meeting of the Town Council of the Town of Callahan, Florida at a meeting held on the 6<sup>th</sup> day of February 2023, at which a quorum was continuously present.

  
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John Kenneth Bass, Council President

ATTEST:

  
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Shawna Gugliuzza Town Clerk