

RESOLUTION NO. 89-5

A RESOLUTION AUTHORIZING THE NEGOTIATED SALE OF \$1,000,000 CITY OF SPRINGFIELD, FLORIDA WATER REVENUE BONDS, SERIES 1989; AWARDING THE SALE THEREOF TO SUN COMMERCIAL BANK, A FLORIDA BANKING CORPORATION, INC. SUBJECT TO THE TERMS AND CONDITIONS OF A LETTER OF COMMITMENT; APPOINTING A REGISTRAR AND PAYING AGENT; DESIGNATING THE BONDS AS BANK QUALIFIED; PROVIDING FOR THE SMALL ISSUER EXCEPTION FROM REBATE; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Springfield, Florida (the "Issuer") has by resolution adopted on October \_\_, 1989 (the "Resolution"), authorized the issuance of its \$1,000,000 Water Revenue Bonds, Series 1989 (the "Bonds"), to (i) finance a part of the cost of certain capital improvements described in the Resolution, (ii) deposit funds into the Reserve Account created pursuant to the Resolution, and (iii) pay certain costs of issuing the Bonds; and

WHEREAS, due to the present instability in the market for revenue obligations the interest on which is excluded from federal gross income, the critical importance of the timing of the sale of the Bonds and due to the willingness of Sun Commercial Bank, a Florida Banking Corporation, to purchase \$1,000,000 in aggregate principal amount of the Bonds, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Bonds at a negotiated sale; and

WHEREAS, the Issuer has received an offer from the Bank to purchase the Bonds, subject to the terms and conditions set forth in the Letter of Commitment (the "Letter of Commitment"), a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Issuer now desires to sell its Bonds pursuant to the Letter of Commitment; and

WHEREAS, the Issuer has been provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which is attached hereto as Exhibit "B";

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SPRINGFIELD, FLORIDA, AS FOLLOWS:

SECTION 1. The negotiated sale of \$1,000,000 City of Springfield, Florida Water Revenue Bonds, Series 1989, is hereby authorized and approved.

SECTION 2. The Bonds are hereby sold to the Bank upon the terms and conditions set forth in the Letter of Commitment attached hereto as Exhibit "A" and incorporated by reference.

SECTION 3. The Bonds shall be dated as the date of delivery, shall bear interest at the rate, and be subject to certain other terms as set forth in the Letter of Commitment.

SECTION 4. The Bonds shall be issued under and secured by the Resolution and shall be executed and delivered by the Mayor of the Issuer and attested by the City Clerk in substantially the form set forth in the Resolution, with such additional changes and insertions therein as conform to the provisions of the Letter of Commitment, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

SECTION 5. The City Clerk is hereby appointed to serve as Registrar and Paying Agent for the Bonds.

SECTION 6. The Issuer designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuer and any subordinate entities of the Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during calendar year 1989 to issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of any private activity bonds, as defined in Section 141(a) of the Code.

SECTION 7. In accordance with the Code, the Issuer represents and covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141(a) of the Code; that 95% or more of the net proceeds of the Bonds (i.e., the face amount of the Bonds), are to be used for the local governmental activities of the Issuer and that the aggregate face amount of all obligations of the Issuer (including all subordinate entities of the Issuer and entities, if any, which issue bonds on behalf of the Issuer), the interest on which is not includable in federal gross income (other than private activity bonds as defined in Section 141(a) of the Code), issued during the calendar year 1989 will not exceed \$5,000,000.

SECTION 8. The Issuer hereby authorizes the deposit of \$90,000 of the proceeds of the Bonds in the Reserve Account pursuant to the Resolution and authorizes the use of \$9,000 of the proceeds of the Bonds to pay the costs of issuing the Bonds.

SECTION 9. The Mayor of the City Commission of the Issuer and the City Clerk or other appropriate officers of the Issuer are

hereby authorized and directed to execute any and all certifications or other instruments or documents required by the Resolution, the Letter of Conditions, this Resolution or any other document referred to above as a prerequisite or precondition to the issuance of the Bonds and any such representation made therein shall be deemed to be made on behalf of the Issuer. All action taken to date by the officers of the Issuer in furtherance of the issuance of the Bonds is hereby approved, confirmed and ratified.

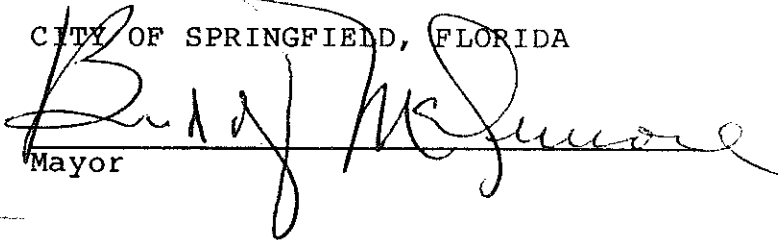
SECTION 10. All prior resolutions of the Issuer inconsistent with the provisions of this resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 11. This resolution shall take effect immediately upon its adoption.

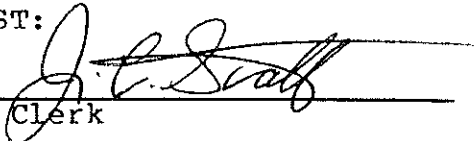
ADOPTED this 2<sup>ND</sup> day of OCTOBER, 1989.

CITY OF SPRINGFIELD, FLORIDA

(SEAL)

  
Mayor

ATTEST:

  
City Clerk



Sun Commercial Bank  
Caller Box 2180  
Panama City, Florida 32402  
904 769-4811

October 2, 1989

Honorable Buddy McLemore  
Mayor, City of Springfield  
3529 East 3rd Street  
Springfield, Florida

RE: Letter of Commitment

Dear Mayor McLemore:

In response to your request for a loan in the amount of One Million Dollars (\$1,000,000), I am pleased to advise that the Bank will commit to such a loan on the following terms and conditions:

1. Principal Amount: \$1,000,000
2. Interest Rate: 75% of "Sun Bank, (Tax Free) N.A., Prime"
3. Gross-Up Interest Rate (if taxable): 95% of "Sun Bank, N.A., Prime"
4. Principal Payments: Quarterly, 1st business day per attached schedule
5. Interest Payments: Quarterly, 1st business day in arrears, daily float
6. Sinking Fund: 1/3 principal and 1/3 estimated interest payable on or before the 15th of each month, held by Sun (commercial side) in interest bearing account

DISCLOSURE STATEMENT

(1) An itemized list of estimated expenses to be incurred by Sun Commercial Bank in connection with the issuance of the Bonds.

Bryant, Miller and Olive, P.A.  
Bond Counsel - \$4,500.00

Douglas J. Sale, Esquire  
Bank Attorney - \$4,500.00

(2) The names, addresses, and estimated amounts of compensation of any person who enters into an understanding with either the Issuer or Sun Commercial Bank, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and Sun Commercial Bank or who exercises or attempts to exercise any influence to affect any transaction in the purchase of the Bonds.

NONE

(3) The amount of underwriting spread expected to be realized.

NONE

(4) The amount of the management fee to be charged by Sun Commercial Bank.

NONE

(5) Any other fee, bonus, and other compensation estimated to be paid by Sun Commercial Bank in connection with the bond issue to any person not regularly employed or retained by Sun Commercial Bank.

NONE

(6) The name and address of Sun Commercial Bank.

Sun Commercial Bank  
Caller Box 2180  
Panama City, Florida 32402

Respectfully submitted,

SUN COMMERCIAL BANK

BY: 

TITLE: Executive Vice President

DATE: 10/2/89

Honorable Buddy McLemore  
October 2, 1989  
Page Two

7. Adjustments: Sinking fund short-fall paid by City; sinking fund excess credited on next quarter; sinking fund payments adjusted quarterly as necessary by notice from Bank to City
8. Pledge: Water system net revenues
9. Issuance Costs: \$9,000
10. Reserve: \$90,000
11. Legal Matters: Loan subject to receipt of unqualified tax opinion of Bryant, Miller & Olive, standard approving opinion of city attorney, and all legal documents in a form and substance satisfactory to this bank and its counsel.
12. Closing: Within two weeks of the date of this letter. This Commitment will expire at the end of such two-week period.

We appreciate the opportunity to work with the City.

Yours very truly,

  
Bobby S. Kirkland  
Executive Vice-President

BSK:DJS:ps  
Enclosure: Schedule for Principal Payments

SCHEDULE OF QUARTERLY PRINCIPAL PAYMENTS

<u>Interest Payment Date</u>	<u>Principal Amount</u>
January 1, 1990	\$16,600
April 1, 1990	17,000
July 1, 1990	17,300
October 1, 1990	17,700
January 1, 1991	18,000
April 1, 1991	18,400
July 1, 1991	18,800
October 1, 1991	19,100
January 1, 1992	19,500
April 1, 1992	19,900
July 1, 1992	20,300
October 1, 1992	20,700
January 1, 1993	21,100
April 1, 1993	21,500
July 1, 1993	21,900
October 1, 1993	22,300
January 1, 1994	22,800
April 1, 1994	23,200
July 1, 1994	23,700
October 1, 1994	24,100
January 1, 1995	26,600
April 1, 1995	25,100
July 1, 1995	25,600
October 1, 1995	26,100
January 1, 1996	26,600
April 1, 1996	27,100
July 1, 1996	27,700
October 1, 1996	28,200
January 1, 1997	28,800
April 1, 1997	29,300
July 1, 1997	29,900
October 1, 1997	30,500
January 1, 1998	31,100
April 1, 1998	31,700
July 1, 1998	32,300
October 1, 1998	33,000
January 1, 1999	33,600
April 1, 1999	34,300
July 1, 1999	34,500
October 1, 1999	34,200



Bank

Sun Commercial Bank  
Call Box 2180  
Panama City, Florida 32402  
904 769-4811

Exhibit A

October 2, 1989

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Honorable Buddy McLemore  
October 2, 1989  
Page Two

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|--------------------|---|
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Bobby S. Kirkland  
Executive Vice-President

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Sun Commercial Bank  
Caller Box 2180  
Panama City, Florida 32402

Respectfully submitted,

SUN COMMERCIAL BANK

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BY:  
TITLE:

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