

**RESOLUTION NO. 548**

**A RESOLUTION OF THE CITY OF TERRELL, TEXAS,  
AUTHORIZING THE EXECUTION AND DELIVERY OF A  
MUNICIPAL FINANCING AGREEMENT BETWEEN THE CITY  
OF TERRELL, TEXAS AND TEXAS BANK AND TRUST**

**WHEREAS**, the City Council of the City of Terrell met in a regular meeting on the 4<sup>th</sup> day of April, 2006; and

**WHEREAS**, the City Council has determined that a true and very real need exists for the acquisition of certain real property located North/Northeast of the Terrell State Hospital Campus at 1200 Brin Street in Terrell, Kaufman County Texas; the real property containing a total of 521.114 acres, more or less, with the real property being more particularly described on Exhibit "A" attached hereto and by reference made a part hereof for all purposes; and

**WHEREAS**, the City Council has determined that it is necessary to arrange suitable financing for the purchase of said real property; and

**WHEREAS**, the City Council has taken all requisite steps, including compliance with any legal bidding requirements, under applicable law to arrange for financing the acquisition of such property.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TERRELL:**

**THAT** the City of Terrell enter into a Municipal Financing Agreement with Texas Bank and Trust in Terrell, Texas, for financing the purchase and acquisition of the real property described on Exhibit "A" attached; with such agreement being for a term of five (5) years; bearing interest at the rate of 4.59% on a balance of \$700,000.00; that the terms of said Municipal Financing Agreement with Texas Bank and Trust are in the best interest of the City of Terrell; that all requisite steps including compliance with any legal bidding requirement have been met; and that the governing body of the City of Terrell, Texas, designates and authorizes the City Manager and the City Secretary to execute, deliver and attest, respectively, the Municipal Financing Agreement and any and all related documents necessary to consummate the transaction contemplated by the Municipal Financing Agreement;

**THAT** the City of Terrell is authorized to sell and convey approximately 116. acres of land, more or less, out of the above referenced tract of land, to Leslie D. McFarlin, et ux, for the sum of \$1,000.00 per acre, with said sales proceeds to be applied to the outstanding balance owing under the terms of the Municipal Financing Agreement.

**PASSED AND ADOPTED THIS 20th DAY OF JUNE, 2006.**

\_\_\_\_\_  
**FRANCES ANDERSON, Mayor**

Attest:

\_\_\_\_\_  
**JOHN ROUNSAVALL, City Secretary**

EXHIBIT C

FORM OF LESSEES COUNSEL OPINION  
(To be copied or typed on Counsel's Letterhead)

The ANB Leasing Company  
102 W. Moore Avenue  
P.O.Box 1852  
Terrell, Texas 75160

Gentlemen:

As counsel for

(.Lessee.), we have examined a duly executed original of the Municipal Lease Agreement dated as of February 12, 1999 (the "Agreement"), between Lessee and The ANB Leasing Company ("Lessor") and the proceedings taken by Lessee to authorize and execute the Agreement. Based upon such examination of law and fact as we have deemed necessary or appropriate for purposes of the opinions set forth below, we are of the opinion that:

1. Lessee is a qualified

Revenue Code of 1986, as amended (the "Code").

within the meaning of the Internal

2. The interest component of the rental payments as set forth in the Schedule of Payments executed

pursuant to the Agreement is exempt from Federal income tax under Section 103 of the Code, and franchise tax of the State of Texas.

The Agreement has been duly authorized, executed and delivered by Lessee pursuant to all necessary constitutional, statutory and governing body approvals.

4. The Agreement is a legal, valid and binding obligation of Lessee, enforceable against Lessee in

accordance with its terms.

5. Any applicable public bidding requirements have been met.

6. All requirements of Texas law with respect to the Lease, including, but not limited to the Texas Public

Property Financing Act have been complied with.

7.

8.

There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any public body, court, arbitrator or administrative agency, which either individually or in the aggregate, would materially adversely affect the transaction contemplated by the Agreement or the ability of Lessee to perform its obligations under the Agreement, or question the validity of the Approval. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent under any lease agreement which, either individually or in the aggregate, would have the same such effect.

The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.

The Lease has been designated by the Lessee as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code.

This opinion is for the sole benefit of, and may be relied upon only by, you and any permitted assignee or subassignee of Lessor under the Agreement.

Sincerely yours,

EXHIBIT B

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting

\_\_\_\_\_ of \_\_\_\_\_, a political subdivision duly organized and existing under the laws of the State of Texas, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (i) the signatures set opposite their respective name and titles are their true and authentic signatures and (ii) such officers have the authority on behalf of such entity to enter into that certain Municipal Lease Agreement dated February 12, 1999, between such entity and The ANB Leasing Company.

NAME

TITLE SIGNATURE

IN WITNESS WHEREOF, I have duly executed this certificate and affixed and seal of such entity hereto this day of \_\_\_\_\_, 19\_\_.

Signature:

Name Printed:

Title:

