

TOWN OF DEWEY-HUMBOLDT

RESOLUTION NO. 05-02 (Of The Dewey-Humboldt Town Council)

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT ALLOWING THE ESTABLISHMENT OF A LINE OF CREDIT AND THE TERMS AND CIRCUMSTANCES UNDER WHICH THAT CREDIT LINE MAY BE ESTABLISHED AND ACCESSED AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT, ARIZONA THAT:

SECTION 1. The Town of Dewey Humboldt (hereafter "Town") may borrow from Stockmen's Bank (hereafter "Lender"), from time to time and upon such terms as may be agreed upon between the Town and Lender, such sums of money as in their judgment should be borrowed; not exceeding at any one time the amount of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00: AND

SECTION 2. The Mayor of Town is hereby authorized to execute and deliver to Lender the promissory note or notes toward the borrowing of such sums, on Lenders forms, at such rates of interest and upon such terms as may be agreed upon between Town and Lender: AND

SECTION 3. The Council hereby directs the pledging of such collateral and/or the encumbering and delivering of such assets as are appropriate and agreed upon as appropriate and necessary by the Town and Lender: AND

SECTION 4. The Council hereby directs the Mayor to execute and deliver to Lender the forms of pledge 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 are given: AND

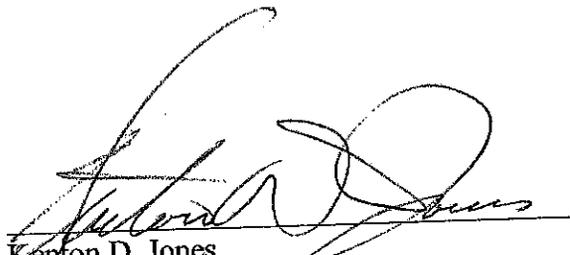
SECTION 5. It is hereby resolved that the Mayor, and/or Vice Mayor, as determined appropriate by Lender, is/are authorized to sign the loan documents anticipated, hereunder, on behalf of Town: AND

SECTION 6. It is further resolved, that the Mayor and Vice Mayor will be the only persons

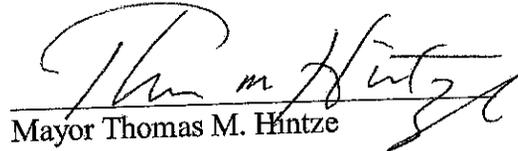
authorized to request advances and authorize payments under the line of credit:
AND

WHEREAS, it is necessary for the preservation of the peace, health and safety of the Town of Dewey-Humboldt, Arizona, an emergency is declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF DEWEY-HUMBOLDT, ARIZONA THIS 25th DAY OF JANUARY, 2005.



Kenton D. Jones
Town Attorney



Mayor Thomas M. Hintze