

## **RESOLUTION NO. R-201208**

**AUTHORIZING A LEASE PURCHASE TRANSACTION AND IN CONNECTION THEREWITH, AUTHORIZING THE LEASING OF CERTAIN PROPERTY BY PUEBLO CITY-COUNTY LIBRARY DISTRICT TO THE PUEBLO CITY-COUNTY LIBRARY DISTRICT LEASING TRUST 2012, A COLORADO TRUST, AND THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT BETWEEN PUEBLO CITY-COUNTY LIBRARY DISTRICT LEASING TRUST 2012, AS LESSOR, AND PUEBLO CITY-COUNTY LIBRARY DISTRICT, AS LESSEE, UNDER WHICH THE DISTRICT WILL LEASE CERTAIN LIBRARY BUILDINGS AND SITES FROM THE TRUST; AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF DOCUMENTS RELATED THERETO; AUTHORIZING OFFICIALS OF THE DISTRICT TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTION CONTEMPLATED HEREBY; RATIFYING ACTION PREVIOUSLY TAKEN; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE THEREOF**

### **RECITALS**

A. The Pueblo City-County Library District (the “District”) is duly organized and existing as a library district and a political subdivision of the State of Colorado (the “State”) under and by virtue of the statutes of the State.

B. Pursuant to Section 24-90-109(g), (h) and (p), Colorado Revised Statutes, the District is authorized to (1) hold and acquire land by gift, lease or purchase for library purposes, (2) lease, purchase, or erect any appropriate building for library purposes and acquire such other property as may be needed therefor and (3) enter into contracts.

C. The District owns, in fee title, certain land and related library facilities known as the Pueblo West Library Facilities and a portion of the Rawlings Library Facilities described as the Rawlings Library Addition and Parking (collectively, the “Leased Property”). The Board has determined that in furtherance of the governmental purposes of the District and in the best interests of the District and its inhabitants that the District lease to the Trust (as defined below) the Leased Property pursuant to a Site Lease (as defined below) and that the District lease the Leased Property from the Trust pursuant to the Lease (as defined below), for use by the District for its governmental purposes.

D. The Pueblo City-County Library District Leasing Trust 2012 (the “Trust”) is a Colorado trust expected to be created by UMB Bank, n.a., as trustee therefor, and the Trust is

expected to acquire a leasehold interest in the Leased Property from the District pursuant to the Site Lease and is to lease the Leased Property to the District pursuant to the Lease.

E. There have been filed in the office of the Secretary of the District (the “Secretary”):

(1) the form of a Site Lease to be dated the date of its execution and delivery (the “Site Lease”), between the District, as lessor, and the Trust, as lessee, which amends and restates a Site Lease dated October 10, 2007, by and between the District and American National Bank, N.A., as lessee (UMB Bank, n.a., as successor lessee), under which the District shall lease the Leased Property to the Trust;

(2) the form of the Lease Purchase Agreement to be dated the date of its execution and delivery (the “Lease”), between the Trust, as lessor, and the District, as lessee, which amends and restates a Lease Purchase Agreement dated October 10, 2007 (the “2007 Lease”), under with the Trust shall lease the Leased Property to the District;

(3) the form of the Declaration of Trust to be dated the date of its execution and delivery (the “Declaration”), by the Trustee, under which the Trust was established, created and declared;

(4) the form of the Indenture of Trust to be dated the date of its execution and delivery (the “Indenture”), entered into by the Trustee, which amends and restates an Indenture of Trust dated October 10, 2007 (the “2007 Indenture”) and under which the Trustee is to execute and deliver certain Certificates of Participation (the “Certificates”) evidencing proportionate interests in the rights of the Trust to receive Base Rentals under the Lease and certain other Revenues as defined under the Indenture; and

(5) a proposed form of Preliminary Official Statement expected to be dated the date of its delivery (the “Preliminary Official Statement”), relating to the Lease and the Certificates and a related Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), from the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF PUEBLO CITY-COUNTY LIBRARY DISTRICT:**

**Section 1. Ratification of Actions.** The Board hereby ratifies, approves and confirms all actions heretofore taken (not inconsistent with the provisions of this Resolution) by the District or its officers or employees, directed toward the leasing of the Leased Property to the Trust pursuant to the Site Lease, prepayment of the base rentals due under the 2007 Lease causing the refunding of certificates of participation issued in 2007 pursuant to the 2007 Indenture and financing of the construction, acquisition and equipping of three new District library facilities (the “Project”) and the leasing of the Leased Property from the Trust pursuant to the Lease.

**Section 2. Findings; Authorizations.** This Resolution is adopted pursuant to and in accordance with the authority conferred by the laws of the State and the District hereby determines

that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effect the purposes hereof.

The Board hereby finds and determines that completion of the Project, and consequently that the leasing of the Leased Property under the terms and provisions set forth in the Site Lease and the leasing of the Leased Property from the Trust under the terms and provisions set forth in the Lease are necessary, convenient and in furtherance of the governmental purposes of the District and are in the best interests of the District and its residents.

**Section 3. Approvals; Execution of Documents; Authorized Officers.** The Site Lease, the Lease and the Continuing Disclosure Undertaking, in substantially the forms as filed with the Secretary, are in all respects approved and the President (the “President”) of the Board is hereby authorized and directed to execute and deliver, and the Secretary is hereby authorized and directed to attest, the Site Lease, the Lease and the Continuing Disclosure Undertaking, in substantially the forms as filed with the Secretary, but with such changes, modifications, additions or deletions as the President, the District’s general counsel or the District’s special lease counsel deems necessary, desirable or appropriate.

**Section 4. Acknowledgment of and Consent to Indenture and Certificates; Approval of the Official Statement.** The Board hereby acknowledges and consents to the Declaration of Trust, the Indenture and the execution and delivery by the Trust of the Certificates pursuant to the Indenture. The Board hereby acknowledges and approves the forms, terms and provisions of the Declaration, Indenture and the Certificates, in substantially the forms filed with the Secretary, but with such changes, modifications, additions or deletions as the President, the District’s general counsel or the District’s special lease counsel deems necessary, desirable or appropriate.

The Preliminary Official Statement, in the form as filed with the Secretary, is in all respects approved and authorized. The distribution of the Preliminary Official Statement and the final Official Statement to prospective purchasers of the Certificates is hereby approved.

**Section 5. Additional Documents; Delegated Powers.** The Secretary is hereby authorized and directed to attest all signatures and acts of any official of the District in connection with the matters authorized by this Resolution. The President and the Secretary and the Executive Director and Chief Financial Officer of the District are hereby authorized to execute and deliver for and on behalf of the District any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution. Such necessary or appropriate actions include, without limitation:

- (a) the execution and delivery of the final Official Statement in substantially the form of the proposed form of Preliminary Official Statement filed with the Secretary, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required or permitted by this Resolution and the Lease, or be consistent with this Resolution and the Lease;

(b) any designation of an insurer or other provider of assurance of payment or credit enhancement in respect of the payment of the Base Rentals (as defined in the Lease) due under the Lease; and

(c) the execution and delivery of such certificates and opinions as may be reasonably required by the Trust or the Trustee relating to, among other things, the tenure and identity of the officials of the District and the Board, the absence of litigation, pending or threatened, affecting the validity of the Lease and expectations and covenants relating to the excludability from gross income for federal income tax purposes of the Interest Portion of Base Rentals designated in the Lease and paid by the District and received by the owners of the Certificates.

**Section 6. No General Obligation or Other Indebtedness.** The obligation of the District to pay Base Rentals and Additional Rentals under the Lease is subject to annual appropriation by the Board and constitutes an undertaking of the District to make current expenditures. No provision of this Resolution, the Lease, the Indenture or the Certificates shall be construed as constituting or giving rise to a general obligation or other indebtedness or a multiple fiscal year direct or indirect debt or other financial obligation of the District within the meaning of any constitutional or statutory debt limitation nor a mandatory charge or requirement against the District in any ensuing fiscal year beyond the current fiscal year. The District shall have no obligation (A) to renew the Lease from fiscal year to fiscal year or (B) to make any payment with respect to the Certificates except in connection with the payment of the Base Rentals under the Lease and certain other payments, for which funds have been specifically appropriated and encumbered by the District for such purpose, under the Lease, which payments may be terminated by the District in accordance with the provisions of the Lease.

**Section 7. Reasonable Rentals; Appropriation of Base Rentals.** The Board hereby determines and declares that the Base Rentals due under the Lease in the maximum amounts set forth on Exhibit A hereto constitute the fair rental value of the Leased Property and do not exceed a reasonable amount.

**Section 8. Severability.** If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

**Section 9. Repealer of Measures.** All bylaws, orders, resolutions and other instruments, or parts thereof, in conflict with this Resolution or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed to revive any bylaw, order, resolution, or other instruments, or part thereof, heretofore repealed.

**Section 10. Effective Date.** This Resolution shall take effect immediately upon its adoption and approval.

**APPROVED AND ADOPTED** this 23<sup>rd</sup> day of August, 2012.

(SEAL)

THE BOARD OF TRUSTEES OF  
PUEBLO CITY-COUNTY LIBRARY DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

Approved as to Form:

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
District Counsel

# **EXHIBIT A** **MAXIMUM BASE RENTALS\***

<u>Base Rentals Payment Date</u>	<u>Base Rentals Principal Portion</u>	<u>Base Rentals Interest Portion</u>	<u>Total Annual Base Rentals</u>
11/15/2012		\$ 92,280.00	\$ 92,280
05/15/2013		259,537.50	
11/15/2013	\$ 370,000	259,537.50	889,075
05/15/2014		251,212.50	
11/15/2014	385,000	251,212.50	887,425
05/15/2015		242,550.00	
11/15/2015	400,000	242,550.00	885,100
05/15/2016		233,550.00	
11/15/2016	420,000	233,550.00	887,100
05/15/2017		224,100.00	
11/15/2017	440,000	224,100.00	888,200
05/15/2018		214,200.00	
11/15/2018	460,000	214,200.00	888,400
05/15/2019		203,850.00	
11/15/2019	480,000	203,850.00	887,700
05/15/2020		193,050.00	
11/15/2020	500,000	193,050.00	886,100
05/15/2021		181,800.00	
11/15/2021	525,000	181,800.00	888,600
05/15/2022		169,987.50	
11/15/2022	545,000	169,987.50	884,975
05/15/2023		157,725.00	
11/15/2023	570,000	157,725.00	885,450
05/15/2024		144,900.00	
11/15/2024	595,000	144,900.00	884,800
05/15/2025		131,512.50	
11/15/2025	625,000	131,512.50	888,025
05/15/2026		117,450.00	
11/15/2026	650,000	117,450.00	884,900
05/15/2027		102,825.00	
11/15/2027	680,000	102,825.00	885,650
05/15/2028		87,525.00	
11/15/2028	710,000	87,525.00	885,050
05/15/2029		71,550.00	
11/15/2029	745,000	71,550.00	888,100
05/15/2030		54,787.50	
11/15/2030	775,000	54,787.50	884,575
05/15/2031		37,350.00	
11/15/2031	810,000	37,350.00	884,700
05/15/2032		19,125.00	
11/15/2032	<u>850,000</u>	<u>19,125.00</u>	<u>888,250</u>
TOTALS:	\$11,535,000 <sup>1</sup>	\$6,289,455.00	\$17,824,455

\* For the purpose of providing the actual Base Rentals due under the Lease, the Executive Director or Chief Financial Officer may adjust the amounts of the Principal Portions and the Interest Portions of such Base Rentals within and between each Fiscal Year set forth above, provided that the Total Aggregate Principal Portion and the total Interest Portion of Base Rentals due under the Lease shall not exceed \$17,824,455.

<sup>1</sup> Total Aggregate Principal Portion of Base Rentals in respect of the Certificates of Participation, Series 2012.

**Statement Regarding the Leased Property:** The duration of the Lease, throughout the maximum Lease Term, does not exceed the weighted average useful life of the Leased Property.