

**RESOLUTION OF THE TOWN COUNCIL OF BASALT, COLORADO, APPROVING
AN EQUIPMENT LEASE/PURCHASE AGREEMENT WITH NBH BANK FOR A
STREET SWEEPER**

**Town of Basalt
Resolution No. 35
Series of 2019**

RECITALS

- A. The Town of Basalt ("Town"), acting by and through its Town Council ("Town Council"), has the power to enter lease-purchase agreements. See Town Charter, § 1.3(E).
- B. The Town Council finds and determines that the execution of an Equipment Lease/Purchase Agreement (the "Lease") with NBH Bank, a Colorado state bank (the "Lessor"), for the purpose of leasing with the option to purchase a street sweeper, as described in the Lease and related documents enclosed herewith as **Exhibit A**, is necessary and essential to the functions and operations of the Town.
- C. The Lease shall not constitute a general obligation indebtedness of the Town within the meaning of the Constitution and laws of the State; and does not create a multiple year obligation, and is expressly subject to non-appropriation or annual renewal. The Lease does not create a multiple fiscal year direct or indirect debt or other financial obligation and does not require voter approval in advance under Section 4 (b) of Article X, Section 20 of the Colorado Constitution. The Lease will not cause the Town to exceed its spending limits.
- D. Federal income tax law requires that issuers of tax-exempt obligations comply with certain post-issuance requirements set forth in the Internal Revenue Code. For the purpose of maximizing the likelihood that certain applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the interest component of the Rental Payments (as defined in the Lease) are met, the Town desires to adopt the Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Obligations provided by Lessor.
- E. The Town Council wishes to approve the Lease and adopt the Post-Issuance Compliance Procedure as set forth herein.


NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Basalt, Colorado as follows:

1. Recitals. The foregoing recitals are incorporated herein as findings of Town

- Council. All actions heretofore taken, not inconsistent with the provisions of this Resolution, by the Council and the officers, agents, or employees of the Town relating to the subject matter of this Resolution, are hereby ratified, approved, and confirmed.
2. The Town Council hereby approves the Lease in the substantially the same form as enclosed as **Exhibit A** and further authorizes the Town Manager and Finance Director to negotiate, enter into, execute, and deliver the Lease, with such changes as are necessary or appropriate upon the advice of the Town Attorney. The Town Manager and Finance Director are hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease, upon advice of the Town Attorney, as necessary or appropriate.
 3. The Lease shall be in the principal amount of \$265,000 with terms as set forth in the Lease; said Lease to contain an option to purchase by the Town as therein set forth.
 4. The Town's obligation under the Lease shall be annually renewable by the Town and expressly subject to annual appropriation by the Town Council; and such obligation under the Lease shall not constitute a general obligation of the Town or indebtedness within the meaning of the Constitution and laws of the State of Colorado. The Lease does not create a multiple fiscal year direct or indirect Town debt or other financial obligation and does not require voter approval in advance under Section 4 (b) of Article X, Section 20 of the Colorado Constitution. The Lease will not cause the Town to exceed its spending limits under Section 7, Article X, Section 20 of the Colorado Constitution.
 5. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized.
 6. The Town reasonably anticipates issuance of not more than \$10,000,000.00 of tax-exempt obligations during the period from 2019 to 2024 and hereby designates the Lease as a bank qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
 7. This resolution shall take effect immediately upon its adoption and approval.

READ AND ADOPTED on September 10, 2019, by a vote of 6 to 0.

TOWN OF BASALT, COLORADO

By: 
Jacque R. Whitsitt, Mayor

ATTEST

By: 
Pamela K. Schilling, Town Clerk

