

**TOWN OF TIMNATH, COLORADO
RESOLUTION NO. 15, SERIES OF 2022**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE TOWN OF AN AMENDMENT TO THE LEASE PURCHASE AGREEMENT BETWEEN THE TOWN AND UMB BANK, N.A.; CONSENTING TO THE AMENDMENT OF DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING THE TOWN MANAGER AND FINANCE DIRECTOR TO TAKE ADDITIONAL ACTION IN CONNECTION THEREWITH.

WHEREAS, the Town of Timnath, Colorado (the “Town”) is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Constitution of the State of Colorado and the home rule charter of the Town (the “Charter”); and

WHEREAS, the Town is authorized pursuant to Section 1.3 of the Charter to purchase, lease, receive, hold and enjoy, or sell and dispose of real and personal property; and

WHEREAS, the Town previously entered into a Lease Purchase Agreement, dated as of July 17, 2018 (the “2018 Lease”), between UMB Bank, n.a., solely in its capacity as Trustee under the Indenture (defined below) (the “Trustee”), as lessor, and the Town, as lessee, pursuant to which the Town leased from the Trustee certain real property as more specifically set forth in Exhibit A to the 2018 Lease (the “Leased Property”); and

WHEREAS, in connection with the execution and delivery of the 2018 Lease, the Trustee executed an Indenture of Trust, dated as of July 17, 2018 (the “2018 Indenture”), pursuant to which there were executed and delivered certain Certificates of Participation, Series 2018 (the “2018 Certificates”), evidencing undivided interests in the right to receive certain Revenues pursuant to the 2018 Lease; and

WHEREAS, the 2018 Certificates were purchased by PNC Bank, N.A. (as successor to Compass Mortgage Corporation) (the “Initial Purchaser”), who is the current owner of 100% of the Outstanding (as defined in the 2018 Indenture) 2018 Certificates; and

WHEREAS, the Initial Purchaser has proposed to change the redemption provisions and reduce the interest rate on the Outstanding 2018 Certificates, and in connection therewith, the Town has proposed to change the redemption provisions and reduce the interest rate on the interest portion of the Base Rentals (as defined in the 2018 Lease) due under the 2018 Lease; and

WHEREAS, under the 2018 Indenture, the consent of the Town and the Initial Purchaser is required to amend the 2018 Indenture to change the redemption provisions and reduce the interest rate on the Outstanding 2018 Certificates; and

WHEREAS, under the 2018 Indenture, the consent of the Initial Purchaser is required to amend the 2018 Lease to change the redemption provisions and reduce the interest rate on the interest portion of the Base Rentals due under the 2018 Lease; and

WHEREAS, in order to reduce the Baes Rentals due under the 2018 Lease, the Council has determined and hereby determines that it is necessary, desirable and in the best interest of the

Town to enter into an amendment to the 2018 Lease in substantially the form of the First Amendment to Lease Purchase Agreement (the "First Amendment to Lease Purchase Agreement" and together with the 2018 Lease, the "Lease"), between the Trustee and the Town that is on file at the Town offices; and

WHEREAS, the Council has determined and hereby determines that it is necessary, desirable and in the best interest of the Town to consent to the amendment of the 2018 Indenture in substantially the form of the First Amendment to Indenture of Trust (the "First Amendment to Indenture of Trust" and together with 2018 Indenture, the "Indenture") on file at the Town offices, and other documents in connection therewith, so long as the Initial Purchaser consents to First Amendment to Lease Purchase Agreement; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the Town to authorize the Town Manager of the Town (the "Town Manager") and Finance Director of the Town (the "Finance Director") to make the final determination with respect to the reduced interest rate under the Lease; and

WHEREAS, all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the authorization of the First Amendment to Lease Purchase Agreement exist, have happened and have been performed in regular and due time, form and manner as required by law, and it is appropriate for the Council to adopt this Resolution at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TIMNATH, COLORADO:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council or the officers, agents or employees of the Town directed toward the execution and delivery of the First Amendment to Lease Purchase Agreement is hereby ratified, approved and confirmed.

Section 2. Determination of Interest Rate: Delegation. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the "Supplemental Act"), provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Council hereby elects to apply all of the provisions of the Supplemental Act to the First Amendment to Lease Purchase Agreement. Pursuant to Section 11-57-205 of the Supplemental Act, the Council hereby delegates to either the Town Manager or the Finance Director of the Town the authority to accept a proposal from the Initial Purchaser for a reduced rate of interest on the interest portion of Base Rentals due under the Lease provided that the rate of interest on the interest portion of Base Rentals due under the Lease must be lower than the interest rate currently in the 2018 Lease.

Section 3. Reasonableness of Rentals. The Council hereby determines and declares that the principal amount of Base Rentals due under the Lease, bearing interest at the maximum amount authorized pursuant to Section 2 hereof, do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Lease or to exercise its option to purchase the Leased Property pursuant to the Lease. The Council hereby determines and declares that the period

during which the Town has an option to purchase the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property.

Section 4. Approval of First Amendment to Lease Purchase Agreement. Subject to Section 2 of this Resolution, the Council hereby finds and determines that it is necessary, desirable and in the best interest of the Town to enter into the First Amendment to Lease Purchase Agreement and that the First Amendment to Lease Purchase Agreement, in substantially the form thereof on file at the Town office, is in all respects approved, authorized and confirmed, but such document may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and as the Town Manager or Finance Director approve. The Mayor is hereby authorized and directed to execute and deliver the First Amendment to Lease Purchase Agreement for and on behalf of the Town. The Town Clerk is hereby authorized and directed to attest the First Amendment to Lease Purchase Agreement and to place the seal of the Town on the First Amendment to Lease Purchase Agreement. The execution of the First Amendment to Lease Purchase Agreement by the appropriate officers of the Town herein authorized shall be conclusive evidence of the approval by the Town of the First Amendment to Lease Purchase Agreement in accordance with the terms hereof.

Section 5. Approval of First Amendment to Indenture of Trust; Consent to Amendment. The Council hereby finds and determines that it is necessary, desirable and in the best interest of the Town to consent to the execution of the First Amendment to Indenture of Trust and other documents in connection therewith, so long as the Initial Purchaser consents to the execution and delivery of the First Amendment to Lease Purchase Agreement, and that the First Amendment to Indenture of Trust, in substantially the form thereof on file at the Town office, is in all respects approved, authorized and confirmed, but such document may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution and as the Town Manager or Finance Director approve.

Section 6. Authorization to Take Additional Action. The officers of the Town are hereby authorized and directed to take all action which they deem necessary or reasonably required to execute and deliver the First Amendment to Lease Purchase Agreement and to carry out, give effect to and consummate the transactions contemplated by this Resolution and the First Amendment to Lease Purchase Agreement. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town in connection with the matters authorized by this Resolution and to place the seal of the Town on any document authorized and approved by this Resolution. The Mayor, the Town Clerk, the Town Manager, the Finance Director and other officers and employees of the Town are hereby authorized and directed to execute and deliver for and on behalf of the Town 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. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by the Town Manager or the Finance Director prior to the execution of the documents. The execution of any instrument by the appropriate officers and employees of the Town herein authorized shall be conclusive evidence of the approval by the Town of such instrument in accordance with the terms hereof.

The Mayor, the Town Clerk, the Town Manager, the Finance Director and all other employees and officials of the Town that are authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Resolution (collectively, the "Authorized Documents") are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

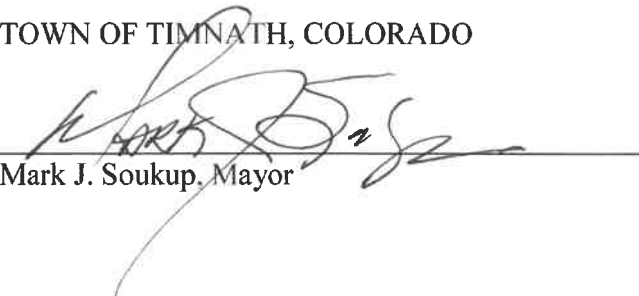
Section 7. Repealer. All ordinances, resolutions, orders or bylaws of the Town, or parts thereof, inconsistent with this Resolution or with the document hereby approved are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, ordinance or resolution of the Town, or part thereof, heretofore repealed.

Section 8. Severability. If any section, subsection, paragraph, clause or provision of this Resolution or the document hereby authorized and approved shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution or such document, the intent being that the same are severable.

Section 9. Effective Date. This Resolution shall be in full force and effect immediately upon its passage and adoption.


INTRODUCED, PASSED, ADOPTED AND APPROVED this April 12, 2022.

TOWN OF TIMNATH, COLORADO



Mark J. Soukup, Mayor

Attest:



Milissa Peters-Garcia, CMC
Town Clerk

STATE OF COLORADO)
)
 COUNTY OF LARIMER) SS.
)
 TOWN OF TIMNATH)

I, Milissa Peters-Garcia, the Town Clerk of the Town of Timnath, Colorado (the "Town"), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") introduced, passed, adopted and approved by the Town Council (the "Town Council") of the Town at a regular meeting of the Town Council held on April 12, 2022.

2. The Resolution was duly introduced, moved and seconded, adopted and approved at the regular meeting on April 12, 2022, by an affirmative vote of a majority of a quorum of the members of the Council who were present at the meeting as follows:

Name	"Yes"	"No"	Absent	Abstain
Mark Soukup, Mayor	✓			
Rick Collins, Mayor Pro Tem	✓			
Aaron Pearson	✓			
Lisa Laake	✓			
Brett Hansen	✓			

3. The Resolution was approved and authenticated by the signature of the Mayor, sealed with the Town seal, attested by the Town Clerk and recorded in the minutes of the Council.

Notice of the regular meeting of April 12, 2022, in the form attached hereto as Exhibit A was posted not less than twenty-four hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said Authority affixed April 12, 2022.


 Milissa Peters-Garcia, CMC
 Town Clerk



EXHIBIT A
(Attach notice of meeting)