

TOWN OF PINETOP-LAKESIDE

RESOLUTION NO. 19-1496

A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, APPROVING THE FORM OF THE LEASE/PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., SALT LAKE CITY, UTAH AND AUTHORIZE THE EXECUTION AND DELIVERY THEREOF.

WHEREAS, the Town Council (the “Governing Body”) of the Town of Pinetop-Lakeside (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operation of the Lessee; and

WHEREAS, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

WHEREAS, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Town of Pinetop-Lakeside, Arizona, as follows:

Section 1. The terms of said Lease/Purchase Agreement are in the best interests of the Town for the leasing of the property described therein.

Section 2. The appropriate officers and officials of the Town are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented at this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Town. The officers and officials of the Town may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidence by the execution and delivery therefore.

Section 3. The officers and officials of the Governing Body and the Town are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Section 4. The Governing Body hereby expresses its current intention to, and authorizes and consents to, the prior advancing of monies (the “Advance”) from its general fund to provide interim financing for the acquisition and/or construction of the Leased Property (as defined in the Lease/Purchase Agreement), and the subsequent execution of the

Lease/Purchase Agreement in the currently estimated maximum principal amount of One Hundred and Twelve Thousand Five Hundred dollars (\$112,500.00) and the reimbursement of all or a portion of the Advance from the proceeds of the Lease/Purchase Agreement; provided, however, that such reimbursement shall be evidenced by an allocation made by or on behalf of the Town in writing:

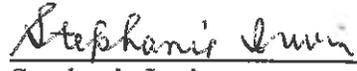
- (a) not later than eighteen (18) months after the later of:
 - (i) the date the original expenditure is paid; or
 - (ii) the date the Leased Property is “placed in service” (as that term is defined in Section 1.150-2(c) of the U.S. Treasury Regulations [the “Regulations”]) or abandoned;
- (b) but in no event more than three (3) years after the original expenditure is paid; and further provided that only the following types of expenditures shall be reimbursed with proceeds of the Lease/Purchase Agreement:
 - (i) **Subsequent Expenditures**: all expenditures incurred with respect to the Leased Property on or after the date hereof; plus the date the original expenditure is paid; or
 - (ii) **Prior Expenditures**: the following types of expenditures incurred with respect to the Leased Property prior to the date hereof:
 - (a) capital expenditures made no earlier than sixty (60) days prior to the date hereof; plus
 - (b) “preliminary expenditures” as described in Section 1.150-2(f)(2) of the Regulations, not in excess of twenty percent (20%) of the aggregate “issue price” (as that term is defined in Section 1.148-1(b) of the Regulations) of the Lease/Purchase Agreement for architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to the commencement of acquisition and/or construction of the Leased Property, other than land acquisition, site preparation, and similar costs incident to commencement of construction; plus
 - (c) the lesser of \$100,000 or five percent (5%) of the proceeds of the Lease/Purchase Agreement;

(collectively, “Reimbursable Expenditures”).

Section 5. This Resolution is intended, among other things, to be a declaration of official intent with respect to the Town's present, reasonable intention and expectation to proceed with the acquisition and/or construction of the Leased Property, the execution of the Lease/Purchase Agreement to finance the same, and the reimbursement with proceeds of the Lease/Purchase Agreement of the aforementioned expenditures with respect thereto, under the applicable provisions of Section 1.150-2 of the Regulations.

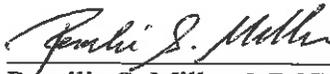
PASSED AND ADOPTED by a majority vote of the Mayor and Town Council of the Town of Pinetop-Lakeside in an open meeting on this 7th day of March, 2019.

TOWN OF PINETOP-LAKESIDE



Stephanie Irwin
Mayor

ATTEST:



Remilie S. Miller, MMC
Town Clerk



APPROVED AS TO FORM:



William J. Sims, III
Town Attorney