

2006-14

A RESOLUTION

DETERMINING THE BASE RENTALS PAYABLE UNDER THE SECOND AMENDMENT TO LEASE PURCHASE AND SUBLEASE AGREEMENT ATTRIBUTABLE TO THE REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A; AND APPROVING THE TERMS OF A CERTIFICATE PURCHASE AGREEMENT WITH RESPECT TO THE REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A.

WHEREAS, the City of Lakewood (the "City") is a legal and regularly created, established, organized and existing municipal corporation under the provisions of Article XX of the Constitution of the State of Colorado and the City Charter (the "Charter"); and

WHEREAS, the City is authorized to enter into one or more rental or leasehold agreements for any municipal purpose; and

WHEREAS, pursuant to Ordinance No. 0-2000-30, passed by the City Council of the City (the "City Council") on August 15, 2000, the Council has heretofore determined that it is in the best interest of the City and its inhabitants that the projects known as the Charles E. Whitlock Recreation Center and the Carmody Recreation Center and other capital improvements (collectively, the "Projects") be acquired, constructed, renovated and equipped; and

WHEREAS, the City has previously entered into a Ground Lease Agreement dated as of August 1, 2000 (the "Ground Lease"), whereby the City has leased parcels of land more particularly described in Exhibit A thereto (the "Land") to the Lakewood Public Building Authority (the "Lessor"); and

WHEREAS, for purposes of providing the Projects, the City has previously entered into a Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April, 1, 2004 (as so amended, the "Lease"), with the Building Authority; and

WHEREAS, the Lessor is a nonprofit corporation, duly organized, existing, and in good standing under the laws of the State of Colorado, duly qualified to do business in the State of Colorado, and authorized under its articles and bylaws to own and hold real and personal property, to lease the same as lessee or as lessor, and to act in the manner contemplated in the Lease and in the Ground Lease; and

WHEREAS, the Base Rentals and Additional Rentals (both as defined in the Lease) payable by the City shall constitute currently budgeted expenditures of the City, and shall not constitute a general obligation or other indebtedness of the City nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year; and

WHEREAS, neither the Lease nor the Ground Lease shall directly or indirectly obligate the City to make any payments beyond those appropriated for the City's then current fiscal year; and

WHEREAS, the Lessor has previously entered into a Mortgage and Indenture of Trust dated as of August 1, 2000 (the "Indenture") with U.S. Bank National Association, as Trustee (the "Trustee"); and

WHEREAS, there have heretofore been issued, pursuant to the Indenture, the Certificates of Participation, Series 2000 (the "2000 Certificates") to finance the acquisition, construction, renovation and equipping of the Projects; and

WHEREAS, the City Council has determined that it is in the best interests of the City to refund a portion of the outstanding 2000 Certificates (the "2006A Refunding Project"), which 2006A Refunding Project will be financed through the execution and delivery of the 2006A Certificates (as defined below); and

WHEREAS, to accomplish the 2006A Refunding Project, it is necessary for the City to enter into a Second Amendment to Lease Purchase and Sublease Agreement (the "Second Amendment") to provide for the 2006A Refunding Project and certain terms in connection therewith; and

WHEREAS, for the purpose of financing the 2006A Refunding Project, the City Council, pursuant to an ordinance passed on February 13, 2006 (the "2006A Ordinance") relating to the Second Amendment and the 2006A Certificates, has determined that it is in the best interest of the City and the residents of the City that the City enter into the Second Amendment in substantially the form presented to the City Council; and

WHEREAS, there will be executed and delivered by the Trustee pursuant to the Indenture and a certain First Supplement to Mortgage and Indenture of Trust (the "First Supplement") to be entered into between the Lessor and the Trustee the "Refunding Certificates of Participation, Series 2006A, Evidencing Assignment of a Proportionate Undivided Interest in Rights to Receive Certain Revenues Pursuant to the Lease Purchase and Sublease Agreement, as Amended, Between Lakewood Public Building Authority, as Lessor and Sublessor, and City of Lakewood, Colorado, as Lessee and Sublessee" (the "2006A Certificates") evidencing assignments of the right to receive certain revenues under the Lease, which rights have been assigned to the Trustee by the Lessor; and

WHEREAS, by the 2006A Ordinance, the City Council has approved the forms of the Second Amendment, the First Supplement and certain other documents, and authorized the execution and performance, as applicable, by the City of such documents, subject to the determination in a supplemental resolution ("this Resolution") to be adopted by the City Council of the aggregate principal amount of the Base Rentals attributed to the 2006A Certificates, the total amount of such Base Rentals, and the amount of such Base Rentals payable in each year and the payment dates of such Base Rentals, subject to designated parameters and restrictions set forth in the 2006A Ordinance; and

WHEREAS, the City has determined, and does hereby declare, that the proposal (the "Certificate Purchase Agreement") submitted by Stifel, Nicolaus & Company, Incorporated (the "Purchaser") to the Lessor for the purchase of the 2006A Certificates at the purchase price as set forth and otherwise upon the terms and provisions provided therein is a responsible proposal to the best advantage of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, COLORADO, THAT:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the City Council or the officers or agents of the City Council or the City relating to the Lease, the Certificate Purchase Agreement and the 2006A Refunding Project is hereby ratified, approved and confirmed.

Section 2. Base Rentals. The City shall pay Base Rentals directly to the Trustee during the Lease Term (as defined in the Lease) in the amounts and on the due dates set forth below, as such schedule may be amended pursuant to the Lease and the Indenture. A portion of each payment of Base Rentals is paid as, and represents payment of, interest, and the schedule below, as it may be amended hereunder, sets forth the interest component of each payment of Base Rentals, together with the interest rates per annum represented by such interest component and (based on the purchase price thereof) the yields thereof.

SCHEDULE OF BASE RENTALS

<u>Date</u>	<u>Base Rentals Principal Component</u>	<u>Base Rentals Interest Component</u>	<u>Total Base Rental</u>	<u>Interest Rate</u>	<u>Yield</u>
May 15, 2006		266,923.61	266,923.61		
November 15, 2006		632,187.50	632,187.50		
May 15, 2007		632,187.50	632,187.50		
November 15, 2007		632,187.50	632,187.50		

May 15, 2008		632,187.50	632,187.50		
November 15, 2008		632,187.50	632,187.50		
May 15, 2009		632,187.50	632,187.50		
November 15, 2009		632,187.50	632,187.50		
May 15, 2010		632,187.50	632,187.50		
November 15, 2010		632,187.50	632,187.50		
May 15, 2011	1,480,000.00	632,187.50	2,112,187.50	3.50%	3.60%
November 15, 2011		606,287.50	606,287.50		
May 15, 2012	1,550,000.00	606,287.50	2,156,287.50	5.75%	3.71%
November 15, 2012		561,725.00	561,725.00		
May 15, 2013	1,625,000.00	561,725.00	2,186,725.00	4.00%	3.77%
November 15, 2013		529,225.00	529,225.00		
May 15, 2014	1,700,000.00	529,225.00	2,229,225.00	5.00%	3.82%
November 15, 2014		486,725.00	486,725.00		
May 15, 2015	1,780,000.00	486,725.00	2,266,725.00	4.00%	3.88%
November 15, 2015		451,125.00	451,125.00		
May 15, 2016	1,860,000.00	451,125.00	2,311,125.00	5.00%	3.96%
November 15, 2016		404,625.00	404,625.00		
May 15, 2017	1,955,000.00	404,625.00	2,359,625.00	5.00%	4.04%
November 15, 2017		355,750.00	355,750.00		
May 15, 2018	2,060,000.00	355,750.00	2,415,750.00	5.00%	4.08%
November 15, 2018		304,250.00	304,250.00		
May 15, 2019	2,165,000.00	304,250.00	2,469,250.00	5.00%	4.12%
November 15, 2019		250,125.00	250,125.00		
May 15, 2020	2,275,000.00	250,125.00	2,525,125.00	5.00%	4.16%
November 15, 2020		193,250.00	193,250.00		
May 15, 2021	2,390,000.00	193,250.00	2,583,250.00	5.00%	4.19%
November 15, 2021		133,500.00	133,500.00		
May 15, 2022	5,340,000.00	133,500.00	5,473,500.00	5.00%	4.21%

Section 3. Approval of Certificate Purchase Agreement. The City Council hereby approves the Certificate Purchase Agreement as submitted by the Purchaser and in substantially the form presented to this meeting of the City Council, and hereby approves the terms, conditions and provisions set forth in the Certificate Purchase Agreement. The City Council hereby determines that the sale of the 2006A Certificates as provided in the Certificate Purchase Agreement is to the best advantage of the City.

Section 4. Repealer. All bylaws, orders and resolutions of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order or resolution of the City, or part thereof, heretofore repealed.

Section 5. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 6. Effective Date. The provisions of this Resolution shall take effect immediately upon its adoption.

INTRODUCED, READ AND ADOPTED by a vote of 11 for and 0 against at a regular meeting of the City Council on February 27, 2006, at 7 o'clock p.m. at Lakewood Civic Center, 480 South Allison Parkway, Lakewood, Colorado.

Stephen A. Burkholder, Mayor

ATTEST:

Margy Greer, City Clerk