

ORDINANCE NO. 738

AN ORDINANCE AUTHORIZING THE USE OF LEASE-PURCHASE FINANCING TO ACQUIRE CERTAIN EQUIPMENT PURSUANT TO THE TERMS OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT BY AND BETWEEN ZIONS BANCORPORATION, N.A., AS LESSOR, AND THE TOWN, AS LESSEE; AUTHORIZING OFFICIALS OF THE TOWN TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; DECLARING AN EMERGENCY; AND OTHER RELATED MATTERS

WHEREAS, the Town of Hayden, Colorado (the "Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Town of Hayden Home Rule Charter (the "Charter"); and,

WHEREAS, the Town is authorized by Section 31-15-101(d), Colorado Revised Statutes, as amended ("C.R.S."), to acquire, hold, lease and dispose of real and personal property; and

WHEREAS, the Town is authorized by Section 31-15-801, C.R.S., to enter into long-term rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes; and,

WHEREAS, the Town Council of the Town (the "Council") has determined that it is in the best interests of the Town and its residents that the Town undertake the lease-purchase financing of equipment for use by the Town for governmental or proprietary purposes; and

WHEREAS, the Town wishes to obtain lease-purchase financing (the "Financing") of certain equipment, to be acquired (the "Equipment"), including one vehicle and any related equipment for sanitary sewer and other purposes; and

WHEREAS, as a result of discussions with Town officials, Zions Bancorporation, N.A. (the "Bank") has presented a proposal to the Council to assist the Town in completing the Financing; and

WHEREAS, there has been presented to the Town and made available to the Council in connection herewith a proposed form of Equipment Lease Purchase Agreement (the "Lease"), to be entered into by and between the Bank, as lessor, and the Town, as lessee; and

WHEREAS, at this meeting the Council designated, authorized and directed the Mayor of the Town or the Town Manager (the "Town Representatives") to be the appropriate representative of the Town to determine the final terms and provisions of the agreements and documents relating to the Financing; and

WHEREAS, in connection with the acquisition of specific items of equipment by the Bank for the Town's use, one or more Leases may be executed by and between the Bank and the Town in accordance with the parameters set forth in this Ordinance (the "Ordinance").

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO:

Section 1. *Ratification of Actions.* All action heretofore taken, not inconsistent with the provisions of this Ordinance, by the Council or the officers of the Town, directed toward the acquisition of the Equipment and the preparation of the form of the Lease are hereby ratified, approved and confirmed.

Section 2. *The Equipment.* The Town is hereby authorized to obtain lease-purchase financing through one or more lease-purchase agreements with the Bank for one (1) vehicle and other equipment for use by the Town, including all equipment, software, warranties, and service contracts accessory thereto and/or associated therewith.

Section 3. *Maximum Principal Amount; Interest Rate; Term.* The principal amount to be financed shall not exceed Six Hundred Thousand Dollars (\$600,000.00), the interest component of rental payments to be made by the Town shall accrue at a rate not to exceed six percent (6.00%), and the term of any Lease hereunder shall not exceed ninety (90) months. Rental payments may be made annually, semi-annually, or at any other convenient interval as determined by the Town Representatives.

Section 4. *Findings; Authorizations.* The Council hereby finds and determines, pursuant to the laws of the State of Colorado, that the acquisition of the Equipment is necessary, convenient, and in furtherance of the governmental purposes of the Town and in the best interests of the Town and its residents; and the Council hereby authorizes the acquisition of the Equipment by means of lease-purchase financing. The Town hereby elects to apply all of the provisions of the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S. (the "Supplemental Securities Act"), to the extent applicable and not inconsistent herewith, to the Lease.

Section 5. *Agency Relationship.* Pursuant to the Lease, the Town shall act as the agent of the Bank solely for the purpose of acquiring the Equipment. The Town will do all things necessary to effect the acquisition of the Equipment free and clear of any encumbrances and subject the same to any security interests as may be contemplated under the Lease.

Section 6. *Approval and Execution of Documents; Authorized Officers.* The Lease, in substantially the form presented to the Town and made available to the Council prior to the adoption of this Ordinance, is in all respects approved, authorized and confirmed. The Town Manager is hereby authorized and directed to execute and deliver, and the Town Clerk is hereby authorized and directed to affix the seal of the Town to, and attest, the Lease hereunder in substantially the form presented to the Town and made available to the Council prior to the adoption of this Ordinance, with such changes as are not inconsistent with the intent of this Ordinance and as approved by the general counsel to the Town (the "Town Attorney") or Kutak Rock LLP, as bond counsel to the Town (the "Bond Counsel"). The Town Representatives shall cause all title to, or other indicia of ownership of, the Equipment to be issued in the Bank's name. Prior to the execution of the Lease, the final form thereof, the description and price of the Equipment subject to the Lease and the schedule of rental payments allocated to the Equipment under the Lease shall be approved by a certificate executed by the Town Manager or any Town Representative (the "Final Terms Certificate").

Section 7. *Additional Documents.* 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 Ordinance. The Town Representatives are hereby authorized 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 Ordinance.

Section 8. *No General Obligation or Other Indebtedness.* The obligation of the Town to make rental payments under the Lease is subject to annual appropriation by the Council and constitutes an undertaking of the Town to make current expenditures. Such payments are subject to termination and nonrenewal by the Town in accordance with the provisions of the Lease. No provision of this Ordinance or any Lease hereunder shall be construed as constituting or giving rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any home rule, constitutional or statutory debt limitation nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the current fiscal year.

Section 9. *Expression of Need.* The Town hereby declares its current need for the Equipment. It is hereby declared to be the present intention and expectation of the Council that the Lease will be renewed annually until title to all of the Equipment is acquired by the Town pursuant to the Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the Town.

Section 10. *Reasonable Rentals.* The Council hereby determines and declares that, after execution and delivery of the Lease, the rental payments due thereunder, so long as they are within the limits provided in this Ordinance, will represent the fair value of the use of the Equipment and the purchase price, as defined therein, will represent, as of any date upon which the Town may exercise its option to purchase such Equipment, the fair purchase price of such Equipment. The Council further hereby determines and declares that, after the execution and delivery of the Lease, the rental payments due thereunder will not exceed a reasonable amount so as to place the Town under an economic or practical compulsion to renew the Lease or to exercise its option to purchase the Equipment pursuant to the Lease. In making such determinations, the Council has given consideration to the cost of acquiring the Equipment, the uses and purposes for which the Equipment will be employed by the Town, the benefit to the residents of the Town by reason of the acquisition and use of the Equipment pursuant to the terms and provisions of each Lease, the Town's option to purchase the Equipment, and the expected eventual vesting of title to, or other indicia of ownership of, the Equipment in the Town. The Council hereby determines and declares that, after execution and delivery of the Lease, the maximum duration of the portion of the Lease allocable to any item of Equipment separately identified in the payment schedule appended thereto will not exceed the weighted average useful life of such item of Equipment.

Section 11. *Confirmation of Prior Acts.* All prior acts and doings of the officials, agents and employees of the Town which are in conformity with the purpose and intent of this Ordinance and in furtherance of the purchase of the Equipment are in all respects ratified, approved and confirmed.

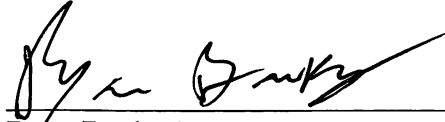
Section 12. *Severability.* The provisions of this Ordinance are hereby declared to be severable. If any section, paragraph, clause, or provision of this Ordinance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

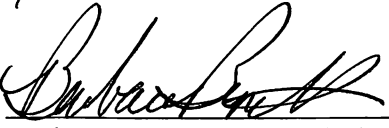
Section 13. *Repealer.* All acts, orders, resolutions, ordinances, or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof, heretofore repealed.

Section 14. *Emergency Declaration; Effectiveness.* It is hereby found and determined by the Council that there is a need to acquire the particular vehicle as soon as possible to ensure proper operation and maintenance of the Town's existing sanitary sewer system and that the current favorable interest rates offered by the Bank have been locked and are only guaranteed to be available for a limited time. As a result of the foregoing, the Council hereby declares that an emergency exists, and that this Ordinance is necessary to the immediate preservation of the public health and safety, all in accordance with Section 31-16-105, C.R.S. and the Home-Rule Charter of the Town, and that this Ordinance shall be in full force and effect immediately upon adoption by the Council.

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ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-7 OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE 6<sup>th</sup> DAY OF MARCH, 2025.

  
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Ryan Banks, Mayor

  
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Barbara Binetti, Town Clerk

