

RESOLUTION NO. 2025-058

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK AUTHORIZING THE PREPAYMENT OF RENTALS UNDER THAT CERTAIN LEASE AGREEMENT DATED SEPTEMBER 12, 2013, BY AND BETWEEN UMB BANK, N.A., AS LESSOR, AND THE TOWN, AS LESSEE

WHEREAS, at the regular meeting held on July 16, 2013, the Town Council (the “Council”) of the Town of Castle Rock (the “Town”) adopted Ordinance No. 2013-22 (the “Ordinance”) for the purpose of financing the construction of the Miller Activity Complex at Philip S. Miller Park (the “Project”); and

WHEREAS, among other things, the Ordinance authorized the execution of a Site and Improvement Lease, dated as of September 12, 2013 (the “Site Lease”), whereby the Town, as lessor, leased certain Town-owned real property and the buildings and improvements located thereon (the “Leased Property”), to UMB Bank, N.A., as lessee (the “Trustee”); and

WHEREAS, the Ordinance further authorized the execution of a Lease Agreement, dated as of September 12, 2013 (the “Facilities Lease”) whereby the Trustee, as lessor, leased to the Town, as lessee, the Trustee’s leasehold interest in the Leased Property; and

WHEREAS, as consideration for the right to lease back the Leased Property pursuant to the terms and conditions of the Facilities Lease, the Town agreed to make certain base and additional rental payments to the Trustee on a year-to-year basis (collectively, the “Rentals”), subject to the appropriation of funds and the renewal of the Facilities Lease by the Town Council in future fiscal years; and

WHEREAS, following the execution of the Site Lease and the Facilities Lease, the Trustee executed and delivered an Indenture of Trust, dated September 12, 2013 (the “Indenture”), by which Indenture, the Trustee authorized the issuance and sale of Certificates of Participation in the principal amount of \$9,245,000 evidencing proportionate interests in the right to receive the revenues generated from the Rentals (the “2013 Certificates”); and

WHEREAS, in turn, the Town used the net proceeds of the 2013 Certificates to finance the construction of the Project; and

WHEREAS, according to Section 11.1 of the Facilities Lease, the Town shall have the option to purchase the Trustee’s leasehold interest in the Leased Property by paying the then applicable Purchase Option Price (i.e., the then outstanding principal and interest on the 2013 Certificates), thereby resulting in the termination of both the Site Lease and the Facilities Lease and the conveyance of the Trustee’s leasehold interest in the Leased Property to the Town (the “Purchase Option”); and

WHEREAS, in anticipation of financing the construction of the Castle Rock Sports Center, a 145,177-square foot recreation facility, with associated on-site utilities, infrastructure,

landscaping and parking, Town staff has recommended that the Town exercise the Purchase Option in 2025; and

WHEREAS, for the purpose of exercising the Purchase Option, in his annual budget for fiscal year 2025 (the “Fiscal Year 2025 Budget”), the Town Manager proposed the following appropriations:

- Account No. 130-5280-452.88.47 – Interest on the 2013 Certificates - \$242,613.00
- Account No. 130-5280-452.88.48 – Principal on the 2013 Certificates - \$5,050,000.00

WHEREAS, on October 1, 2024, the Town Council approved Ordinance No. 2024-016 adopting the Fiscal Year 2025 Budget, inclusive of the appropriations necessary for the Town to exercise the Purchase Option; and

WHEREAS, the Town Council finds and determines that it is in the best interests of the Town and its residents to authorize the Town Manager and Director of Finance to take all appropriate steps to exercise the Purchase Option.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK AS FOLLOWS:

Section 1. Authorization. The Town Manager and Director of Finance are hereby authorized to expend the amounts appropriated in the Fiscal Year 2025 Budget to exercise the Purchase Option set forth in Section 11.1 of the Facilities Lease and to execute and deliver any and all documents necessary and proper to carry out the purpose of this Resolution.

PASSED, APPROVED AND ADOPTED this 6th day of May, 2025, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading, by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Trish Muller, CPA, Finance Director