

RESOLUTION

A RESOLUTION EXPRESSING THE INTENT OF THE TOWN TO BE REIMBURSED FOR CERTAIN CAPITAL EXPENDITURES RELATING TO STORMWATER IMPROVEMENTS OF THE TOWN.

WHEREAS, the Town of Castle Rock, Colorado (the “Town”) 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 Charter; and

WHEREAS, the members of the Town Council of the Town (the “Council”) have been duly elected and qualified; and

WHEREAS, the Town now owns and operates a municipal stormwater system (the “Enterprise”); and

WHEREAS, it is the current intent of the Town, acting by and through its Enterprise, to make certain capital expenditures for the construction of certain stormwater improvements for the benefit of the Town and its residents (the “Project”); and

WHEREAS, the Council has determined that it is in the best interest of the Town to finance the Project through one or more of the following: (i) by the issuance of bonds payable from the revenues of the stormwater system; or (ii) by any other means legally available to the Town, including the execution and delivery of a lease purchase agreement (the “Financing”); and

WHEREAS, the Council has determined that it is necessary to make capital expenditures in connection with the Project prior to the time that the Town arranges for the Financing; and

WHEREAS, it is the Council’s reasonable expectation that when such Financing is completed, certain capital expenditures will be reimbursed with the proceeds of the Financing; and

WHEREAS, in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), it is the Council’s desire that this resolution shall constitute the “official intent” of the Council to reimburse such capital expenditures within the meaning of Treasury Regulation §1.150-2.

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

Section 1. All action (not inconsistent with the provisions of this resolution) heretofore taken by the Council and the officers, employees and agents of the Town directed toward the issuance of the Financing is hereby ratified, approved and confirmed.

Section 2. The Town intends to finance approximately \$10,000,000 to pay the costs of the Project, including the reimbursement of certain costs incurred by the Town prior to the receipt of any proceeds of the Financing, upon terms acceptable to the Town, as authorized in an ordinance to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith.

Section 3. The officers, employees and agents of the Town shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the Project and to otherwise carry out the transactions contemplated by the resolution.

Section 4. The Town shall not use reimbursed moneys for purposes prohibited by Treasury Regulation §1.150-2(h).

Section 5. This resolution is intended to be a declaration of “official intent” to reimburse expenditures within the meaning of Treasury Regulation §1.150-2

Section 6. If any section, paragraph, clause or provision of this resolution shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 7. All acts, orders and resolutions of the Council, and parts thereof, inconsistent with this resolution be, and the same hereby are, repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 8. The resolution shall in full force and effect upon its passage and approval.

PASSED AND ADOPTED this November 5, 2019.

TOWN OF CASTLE ROCK, COLORADO

Mayor

ATTEST:

Town Clerk