

## RESOLUTION NO. 15-2981

### A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF LAKE HAVASU CITY, MOHAVE COUNTY, ARIZONA, APPROVING A TAX-EXEMPT NON-BANK QUALIFIED MUNICIPAL LEASE PURCHASE AGREEMENT WITH JPMORGAN CHASE BANK, N.A. FOR ACQUISITION OF MOTOROLA AND CREATIVE COMMUNICATIONS EQUIPMENT; DECLARING AN EMERGENCY

**RECITALS:** Lake Havasu City ("Lessee") is a political subdivision of the State of Arizona (the "State") and is duly organized and existing pursuant to the constitution and laws of the State. Pursuant to applicable law, the governing body of the Lessee ("City Council") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

The City Council hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not to exceed \$3,046,010 ("Principal Amount") for the purpose of acquiring Motorola and Creative Communications Equipment ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

JPMorgan Chase Bank, N.A. ("Lessor") is expected to act as the lessor under the Equipment Leases. The Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount. The U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

**IT IS RESOLVED** by the Mayor and City Council of Lake Havasu City as follows:

**SECTION 1.** The Mayor is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the City Council, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

**SECTION 2.** By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

**SECTION 3.** The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

**SECTION 4.** The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the City Council as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligation of the Lessee or indebtedness under the Constitution or laws of the State.

**SECTION 5.** The City Council of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The City Council of Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the City Council of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

**SECTION 6.** The immediate operation of the provisions of this Resolution being necessary for the preservation of the public peace, health, and safety of the City, an emergency is hereby declared to exist, and this Resolution will be in full force and effect from and after its passage by the Mayor and City Council and any publication or posting required by law, and it is hereby exempt from any applicable referendum provisions.

**SECTION 7.** That the Mayor and City Council of Lake Havasu City, Arizona, approve the Tax-Exempt Non-Bank Qualified Municipal Lease Purchase Agreement with JPMorgan Chase Bank, N.A. to acquire Motorola and Creative Communications Equipment.

**PASSED AND ADOPTED** by the City Council of Lake Havasu City, Arizona, on \_\_\_\_\_, 2015.

APPROVED:

\_\_\_\_\_  
Mark S. Nexsen, Mayor

ATTEST:

\_\_\_\_\_  
Kelly Williams, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Kelly Garry, City Attorney

REVIEWED BY:

\_\_\_\_\_  
Charlie Cassens, City Manager