

STATE OF COLORADO)
)ss.
COUNTY OF GARFIELD)

At a regular meeting of the Board of County Commissioners for Garfield County, Colorado, held at the County Administration Building in Glenwood Springs on Mon, the 6th day of August, 2012, there were present:

- Tom Jankovsky, Commissioner
- Mike Samson, Commissioner
- John Martin, Commissioner Chairman
- Andrew Gorgey, County Manager
- Carey Gagnon, Acting County Attorney
- Jean Alberico, Clerk to the Board

when the following proceedings, among others were had and done, to-wit:

RESOLUTION NO. 12- 62

RESOLUTION EXERCISING PURCHASE PRICE OPTION UNDER CAPITAL PROJECTS LEASE PURCHASE AGREEMENT WITH NOTICE AND INSTRUCTION TO TRUSTEE AUTHORIZING REDEMPTION OF CERTIFICATES OF PARTICIPATION, SERIES 2006, AND NOTICE TO GARFIELD COUNTY BUILDING CORPORATION

- A. WHEREAS, the Board of County Commissioners of Garfield County, State of Colorado (“BOCC” or “County”), is a legal and political subdivision of the State of Colorado for which the BOCC, pursuant to C. R. S., § 30-11-103 (2011), is authorized to act; and
- B. WHEREAS, the BOCC is authorized pursuant to C. R. S., § 30-11-101(1)(d) (2011) to make all contracts and do all other acts in relation to the property and concerns necessary to the exercise of its corporate powers, and pursuant to C. R. S., § 30-11-101(1)(c) (2011) to lease or sublease real property together with facilities thereon when deemed to be in the best interests of the county and its inhabitants; and
- C. WHEREAS, the BOCC has the duty, pursuant to C. R. S., § 30-11-104 (2011), to provide necessary county buildings, and the authority, pursuant to C. R. S., § 30-11-104.1 (2011), to provide for financing and to enter into lease purchase agreements for county buildings; and
- D. WHEREAS, on October 1, 1999, the BOCC entered into a Jail Facility Lease Purchase Agreement (“the Agreement”), duly recorded at Reception No. 554464, with the Garfield County Building Corporation (“Building Corporation”), a Colorado nonprofit corporation, for the lease and purchase of the County Jail Facility, and a Ground Lease Agreement (“Ground Lease”) duly recorded at Reception No. 554463. The Agreement was amended two times. The BOCC and the Building Corporation executed the First Amendment to the Jail Facility Lease Purchase Agreement on June



21, 2000, duly recorded at Reception No. 565689, and the Second Amendment to the to the Jail Facility Lease Purchase Agreement dated January 1, 2006 (“Second Amendment”), duly recorded at Reception No. 690944; and

- E. WHEREAS, the Agreement contains a Purchase Price Option, which by this Resolution the BOCC intends to exercise; and
- F. WHEREAS, the BOCC’s obligations in exercising the Purchase Price Option are governed by the Mortgage and Indenture of Trust (“Indenture”), duly recorded at Reception No. 554465, as supplemented by the First Supplement to the Mortgage and Indenture of Trust dated as of January 1, 2006 (“First Supplement”), duly recorded at Reception No. 691864, and specifically in accord with Section 4.02(a) of the First Supplement governing Mandatory Redemption Upon Purchase and the Purchase Option Price Schedule, which is Exhibit C to the Second Amendment; and
- G. WHEREAS, the BOCC affirmatively represents that no portion, neither in whole nor in part, of the redemption monies here used in exercising the Purchase Price Option are from borrowed funds or monies derived from any installment purchase or lease purchase financing.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Garfield County, State of Colorado, that

- (1) The foregoing recitals are incorporated as findings herein.

Instructions to Trustee

- (2) The County informs and directs U.S. Bank National Association (“the Trustee”) as follows:
 - a. Pursuant to Section 4.02(a) of the Indenture, as supplemented by Section 4.02(a) of the First Supplement, both being between the Garfield County Building Corporation and the Trustee, the Certificates of Participation issued thereunder (the “Certificates”) are subject to redemption at the option of the County on any date established by the County, at a price of par and accrued interest to the redemption date, without redemption premium.
 - b. The County has determined to exercise its option to redeem all of the outstanding Certificates pursuant to such Section 4.02(a), **such redemption to be on Friday, September 7, 2012** (the “Redemption Date”).
 - c. Accordingly, the County, by this Resolution, hereby directs the Trustee to prepare and send the appropriate notice of redemption as required by Section

4.04 of the Indenture, and to take such other actions as may be necessary or appropriate in order to redeem the outstanding Certificates as of the Redemption Date.

- d. The County calls to the Trustee's attention that pursuant to Section 4.04 of the Indenture, the notice of redemption must state that such redemption is subject to the deposit of funds sufficient to pay the Certificates as of the Redemption Date, and the County shall deposit said funds timely.
- e. The County, by this resolution, hereby directs the Trustee to terminate the Master Repurchase Agreement between U.S. Bank, Trustee ("Buyer"), and Chase Manhattan Bank ("Seller"), dated October 15, 1999 and to liquidate the collateral.

NOW, THEREFORE, BE IT FURTHER RESOLVED as follows:

- (3) The County Finance Department is hereby directed to work in coordination with the Garfield County Treasurer to ensure timely wire transfer of the Purchase Option Price, funds sufficient to redeem all outstanding Certificates, such that funds are actually received by the Trustee no later than September 5, 2012.
- (4) Total payoff effective September 7, 2012, is \$8,932,872.00, representing principal of \$8,840,000.00 and interest of \$92,872.00, which shall be offset by balances in the Reserve Fund of \$988,635, plus interest earned, if any. County Finance and the Treasurer are authorized to manage whatever adjustments to these totals, if any, are needed to ensure timely redemption of the Certificates, and otherwise to take all steps necessary to complete timely redemption.
- (5) This Resolution shall also serve as notice to the Garfield County Building Corporation of the County's intent to exercise its Purchase Option Price and to redeem the Certificates as contemplated in the Agreement, as amended by the Second Amendment, and the Indenture, as supplemented by the First Supplement, respectively. Termination of the Agreement, as amended, the Ground Lease, and conveyance of deeds shall be as called for therein.
- (6) County staff shall ensure forthwith transmittal of executed, recorded copies of this Resolution to the Trustee and the Building Corporation's board of directors.

