

**RESOLUTION 2012-10-15-2**

**A RESOLUTION OF THE CITY OF LLANO AUTHORIZING THE MASTER LEASE FINANCIAL AGREEMENT BETWEEN C & M GOLF AND GROUNDS EQUIPMENT AND THE CITY OF LLANO FOR THE TURF GROOMER AND GREENS KING IV MOWER.**

**WHEREAS**, LLANO, CITY OF dba LLANO RIVER GOLF & RV RESORT the (“Lessee”) is a validly existing political subdivision of the State of Texas, existing as such under and by virtue of the Constitution, statutes and laws of the State;

**WHEREAS**, The Mayor of the City has the power under the laws of the State to lease or purchase personal property for use by the City; and the Governing body has determined, and hereby determines, that it is in the best interests of the City to enter into a Municipal Lease Agreement C & M Golf and Grounds Equipment (“Lessor”) which lease will be assigned to General Electric Capital Corporation (“Assignee”) pursuant to an assignment by Lessor to Assignee (such Municipal Lease Agreement and Assignment are herein together referred to as the “Lease”) for the purpose of financing the acquisition of the equipment (the “Equipment”) described in Exhibit A to the Lease, and that the use of such equipment is essential to the Lessee’s proper, efficient and economic operation;

**WHEREAS**, the Governing Body has taken the necessary and appropriate steps under applicable law, including, without limitation, any public bidding requirements, to arrange for the acquisition and financing of the Equipment under the Lease;

**WHEREAS**, the Lease terminates, and the Lessee’s obligations there under are extinguished, if the Governing Body fails to appropriate money for the ensuring fiscal year for the payment of the amounts due in such fiscal year;

**WHEREAS**, there has been presented to the Governing Body the form of the Lease, including Exhibit A thereto, which the Lessee proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing of the Equipment; and it appears that the Lease and its Exhibit A are in appropriate form and are appropriate instruments for the purposes intended.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY AS FOLLOWS:**

Section 1. That all actions of the Lessee in effectuating the Lease are hereby approved, ratified, and authorized pursuant to and in accordance with the transactions and contemplated by the Lease.

Section 2. That sums be and hereby are allocated from the budget of the Governing Body for the fiscal year ending on September 30, 2013, sufficient to meet all obligations of the Lessee under the Lease, including without limitation Monthly rent in the amount of \$ 1548.94 per month.


Section 3. The Governing Body hereby approves the acquisition by the Lessee of the Equipment described in Exhibit A to the Lease, such acquisition to be financed by Lessor/Assignee pursuant to and in accordance with the terms of the Lease, which will be a valid, legal and binding obligation of the Lessee, enforceable in accordance with its terms. The form and content of the Lease are in all respects authorized, approved and confirmed and the Mayor of the Lessee, or his designee is authorized, empowered and directed to execute and deliver the Lease and the other documents (as definite in the Lease) for and on behalf of the Lessee in substantially the form attached hereto, but with such changes, modification, additions or deletions therein as shall to him seem necessary, desirable or appropriate.

Section 4. Pursuant to Section 265(b) (3) (B) (i) of the Internal Revenue Code of 1986 (the "Code"), the Lessee hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) (3) of the Code and the Lessee represents it will not designate more than ten million dollars (\$10,000,000.00) of obligations issued by the Lessee in the calendar year in which the Lease and Exhibit A thereto are executed and delivered as such "qualified tax-exempt obligations." The aggregate face amount of all tax-exempt obligations issued or to be issued by the Lessee and all subordinate entities thereof during calendar year 20\_\_\_ is not reasonably anticipated to exceed ten million dollars (\$10,000,000.00).

**BE IT FURTHER RESOLVED** THAT this Resolution take effect from and after its passage.

**PASSED AND APPROVED** by the Council of the City of Llano in a meeting held on October 15, 2012.

  
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Mayor, Mike Reagor

ATTEST:   
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City Secretary, Toni Milam

