

**RESOLUTION NO. 1082**

**A RESOLUTION AUTHORIZING THE EXECUTION OF A LEASE PURCHASE AGREEMENT BY THE CITY FOR THE ACQUISITION OF FIFTY (50) GOLF CARTS FROM YAMAHA (MASEK GOLF CAR COMPANY) AND RETIRING THE FINANCIAL OBLIGATION RELATED TO CERTAIN CARTS THAT WILL BE USED FOR TRADE-IN VALUE IN CONNECTION WITH SUCH ACQUISITION.**

**WHEREAS**, the governing body of the City of Osawatomie, Kansas (the “City”) has found it necessary to acquire fifty (50) golf carts from Masek Golf Car Company; and

**WHEREAS**, the City has previously entered into a financial obligation (the “Prior Obligation”) in connection with the acquisition of certain golf carts that will be used for trade-in value in connection with the new acquisition; and

**WHEREAS**, the City finds it necessary to enter into a lease purchase agreement (the “Lease Purchase Agreement”) with First Option Bank in order to facilitate the new acquisition of and retirement of the Prior Obligation; and

**WHEREAS**, the City is authorized to enter into the Lease Purchase Agreement pursuant to K.S.A. 12-101 et seq. and K.S.A. 10-1116c and further finds it necessary to authorize the Mayor to take all actions necessary to accomplish the foregoing.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:**

**SECTION ONE:** Authorization of Lease Purchase Agreement. The Lease Purchase Agreement is hereby approved in substantially the form presented.

**SECTION TWO:** Execution of Leased Purchase Agreement. The Mayor is authorized and directed to execute the Lease Purchase Agreement on behalf of the City and to execute any ancillary certificates or documents necessary to accomplish the purposes of this resolution and the Lease Purchase Agreement.

**SECTION THREE:** Rental Payments. The Rental Payments required by the Lease Purchase Agreement shall be made from funds budgeted and appropriated for that purpose, in accordance with the Lease Purchase Agreement, and as provided by law, and shall not be paid from any other moneys or sources (except to the extent paid from moneys attributable to proceeds from insurance policies, condemnation awards or awards resulting from defaults under certain circumstances).

**SECTION FOUR:** Tax Covenants. The City covenants that as long as any of the Rental Payments remain outside and unpaid under the Lease Purchase Agreement, it will not make or permit use of the proceeds from the Lease Purchase Agreement which, if such use had been reasonably expected on the date of execution and delivery, would have cause the Rental Payments to constitute “arbitrage bonds” within the meaning of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”); and that it will comply with all applicable requirements of Section 148 of the Code and the applicable rules and regulations of the United States Treasury Department for so long as any of the Rental Payments under the Lease Purchase

Agreement remain outstanding and unpaid. The City further covenants to take all such action in its power as may be required from time to time in order to assure the continued exclusion from gross income for the purpose of Federal income taxation of the interest component on the Rental Payments, and to comply with all provisions of the Code, as the same be amended, and any applicable rules and regulations of the United States Treasury Department under the Code.

**SECTION FIVE: SECTION 5. Designation as Qualified Tax-Exempt Obligations.**  
The governing body of the City designates the Lease Purchase Agreement as a “qualified tax-exempt obligation” as defined in Section 265(b)(3) of the Code.

**PASSED AND APPROVED** by the Governing Body of the City of Osawatomie, Kansas, this 8<sup>th</sup> day of December, 2022, a majority voting in favor of.

**APPROVED** and signed by the Mayor.

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Nick Hampson, Mayor

(SEAL)

ATTEST:

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Tammy Seamands, City Clerk