

ORDINANCE NO. 2005-1

AN ORDINANCE OF THE TOWN OF LA JARA, COLORADO, AUTHORIZING THE ISSUANCE OF THE TOWN'S GOVERNMENTAL AGENCY BOND IN THE AGGREGATE PRINCIPAL AMOUNT OF \$200,000; PROVIDING FOR THE USE OF THE BOND PROCEEDS TO PAY THE COSTS OF THE PROJECT, PROVIDING FOR THE PAYMENT OF THE BOND FROM THE REVENUE DERIVED FROM THE OPERATION OF THE TOWN'S WATER AND WASTEWATER SYSTEM; MAKING CERTAIN COVENANTS IN CONNECTION THEREWITH; APPROVING RESOLUTION NO. WE-2005-1 OF THE TOWN OF LA JARA, COLORADO, WATER ACTIVITY ENTERPRISE PROVIDING FOR THE FORM, PAYMENT, AND OTHER DETAILS IN CONNECTION WITH THE BOND; AUTHORIZING THE EXECUTION OF CERTAIN AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BOND AND DECLARING AN EMERGENCY.

WHEREAS, the Town of La Jara, Colorado (the "Town"), is a statutory town and political subdivision of the State of Colorado, duly organized and operating under the constitution and laws of the State and has created and is operating the Town of La Jara, Colorado, Water Activity Enterprise as a water activity enterprise within the meaning of Title 37, Article 45.1, C.R.S. and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Town of La Jara, Colorado, Water Activity Enterprise (the "Enterprise") has no authority to levy or collect or use in its operations taxes, whether sales taxes, use taxes or ad valorem taxes; and

WHEREAS, the Board of Trustees of the Town is acting hereunder as the governing body of the Enterprise (the "Board"); and

WHEREAS, the Enterprise is a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined and it is hereby determined that the Enterprise is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Town, acting by and through the Enterprise, has heretofore determined and undertaken to acquire and develop certain properties and facilities for the collection, treatment, transmission, and disposition of water and wastewater, which facilities are operated and maintained as part of the water and wastewater utility systems of the Town and the Enterprise (collectively the "System"); and

WHEREAS, the Town is authorized by Title 37, Article 45.1, C.R.S., and Article X, Section 20, Colorado Constitution, to issue revenue bonds authorized by action of the Board without the

approval of the electors of the Town, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, the Board, acting by and through the Enterprise, has determined and hereby determines that it is in the best interests of the Town, and the residents thereof, to enter into a loan agreement (the "Loan Agreement") with the Colorado Water Resource and Power Development Authority (the "CWRPDA") pursuant to which the CWRPDA will loan the Town, acting by and through its Enterprise, an amount not to exceed \$200,000; and

WHEREAS, the Board has approved a Loan Agreement with the CWRPDA, pursuant to which the CWRPDA will loan the Town, acting by and through the Board, the amount of \$200,000 for the Project; and

WHEREAS, none of the members of the Board have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bond, or the use of the proceeds thereof; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bond and the execution of the foregoing documents;

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA, COLORADO:

Section 1. Definitions. As used herein, the capitalized terms shall have the respective meanings set forth below, unless the context indicates otherwise, all other capitalized terms shall have the respective meanings set forth in the Resolution.

Bond: the Governmental Agency Bond, dated as of the date of issuance, issued in the aggregate principal amount of \$200,000, as authorized by this Ordinance.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Loan Agreement: That loan agreement between the Colorado Water Resource and Power Development Authority and the Town of La Jara, acting by and through its Town of La Jara, Colorado, Water Activity Enterprise.

Ordinance or Bond Ordinance: this ordinance which authorizes the issuance of the Bond, including any amendments properly made hereto.

Project: the acquisition, construction, reconstruction, improvement, betterment, or extension of water facilities and all necessary or appropriate appurtenances, property rights, and equipment.

Resolution or Bond Resolution: Resolution No. WE-2005-1 of the Town of La Jara, Colorado, Water Activity Enterprise.

System: all of the Town's water and wastewater facilities and properties, now owned or hereafter acquired, whether situated within or without the Town boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements, or additions thereof or thereto, which comprise the Town's Water Activity Enterprise.

Water and Wastewater Revenue Fund: the fund of the Enterprise designated as the "Water Revenue Fund", established by the provisions of this Ordinance, and also referred to as the Water and Wastewater Revenue Fund Account.

Section 2. Authorization. In accordance with the Constitution of the State of Colorado; Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1, C.R.S.; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Town's "Governmental Agency Bond", in the aggregate principal amount of \$200,000, for the purpose of paying the Project Costs. The accomplishment of the Project is hereby authorized, approved, and ordered.

Section 3. Approval of Town of La Jara, Colorado, Water Activity Enterprise Actions. All actions heretofore taken by the Board of the Town of La Jara, Colorado, Water Activity Enterprise in furtherance of the issuance of the Bond including its Resolution No. WE-2005-1 are hereby ratified and approved.

Section 4. Special Obligations. The Bond, together with the interest thereon, shall be payable only out of the Pledged Property, as defined in the Loan Agreement. The Owners may not look to any general or other fund of the Town for the payment of the principal of and interest on the Bond, except the funds and accounts pledged thereto by this Ordinance and the Resolution, and the Bond shall not constitute a debt or an indebtedness of the Town within the meaning of Article XI, Section 6 of the Colorado Constitution or any statutory provision or limitation; nor shall it be considered or held to be a general obligation of the Town.

Section 5. Bond Details. The Bond shall be in the principal amount of \$200,000, shall bear 0% interest, shall mature as provided in the Loan Agreement, and shall be payable in the time and manner, and shall be subject to optional prepayment, as set forth in the Loan Agreement. The Town shall execute and deliver to the Authority the Bond pursuant to the Loan Agreement as evidence of the Loan Repayments (as defined in the Loan Agreement). The Bond shall be substantially in the form set forth in the Loan Agreement.

Section 6. Form and Execution of Bond. The Bond shall be signed with the facsimile or manual signature of the Mayor of the Town, sealed with a facsimile or manual impression of the seal of the Town, and attested by the facsimile or manual signature of the Town Clerk. Should any officer whose facsimile or manual signature appears on the Bond cease to be such officer before

delivery of the Bond to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Bond shall be in substantially the form set forth in the Loan Agreement.

Section 7. Disposition and Investment of Proceeds; Tax Covenants. The Bond shall be issued and sold for the purpose of paying the Project Costs. The Owner of the Bond shall not be responsible for the application or disposal by the Town or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are lawful investments.

Section 8. Water Activity Enterprise Annual Budget. The Board shall adopt an annual budget for the Enterprise, separate from the Town's general fund budget.

Section 9. Water and Wastewater Revenue Fund Established. There is hereby established an enterprise fund, to be known as the "Water and Wastewater Revenue Fund", in which shall be deposited all revenues from water and wastewater billing and other revenues related to the System. All funds received from the water and wastewater rates shall be used only for the operation, maintenance, debt service, replacement of and additions to the system. All amounts on hand in such fund shall be invested by the Board of Trustees in investments proper for public funds.

The Enterprise may pledge all or any portion of the Water and Wastewater Revenue Fund, including revenues anticipated to be collected, to the payment of principal, interest, premium, if any, and reserves for revenue bonds or any other obligations lawfully issued or otherwise contracted for by the Enterprise for the payment or other financing of costs of the System, or for the purpose of refunding any obligations issued or otherwise contracted for such purpose.

Section 10. Maintenance of Rates and Coverage. The Town hereby covenants that it will establish, maintain, enforce, and collect rates, fees, plant investment fees, availability fees, tolls, and charges for services furnished by or for the use of the System to create revenue each Fiscal Year sufficient to pay Operation and Maintenance Expenses and in an amount: (i) equal to not less than 110% of the amount necessary to pay when due the principal of and interest on the Bond, and any obligation on parity with or prior in lien or charge of the Bond coming due during such Fiscal Year; and (ii) to pay debt service on all other bonds, notes or other subordinate obligation, otherwise necessary to fulfill its obligations under the Loan Agreement. In the event that the Gross Revenue at any time is not sufficient to make such payments, the Town shall increase such rates, fees, plant investment fees, availability fees, tolls, and charges to an extent which will ensure the payments and accumulations required by this Ordinance and the Resolution.

Section 11. Authorization to Execute Documents. The Mayor and Town Clerk shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate

the provisions of this Ordinance, including, but not limited to, the execution of such certificates and affidavits as may be reasonably required. The execution by the Mayor of the Town of any document authorized herein shall be conclusive proof of the approval by the Town of the terms thereof.

Section 12. Authorized Officer. The Mayor or the Town Clerk is hereby authorized to act as the "Authorized Officer" under the Loan Agreement (as such term is defined therein), and to furnish their names to the Authority in accordance with the Loan Agreement.

Section 13. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bond, shall be paid either from the proceeds of the Bond or from legally available moneys of the Town, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 14. Holidays. If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Bond Registrar is authorized or required by law to remain closed.

Section 15. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the Town and the members of the Board, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bond, are hereby ratified, approved, and confirmed.

Section 16. Ordinance Irrepealable. After the Bond has been issued, this Ordinance shall constitute a contract between the Owner and the Town, and shall be and remain irrepealable until the Bond and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 17. Repealer. All orders, bylaws, ordinances, and resolutions of the Town, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

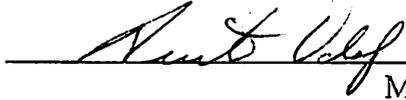
Section 18. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 19. Recording and Authentication. Upon adoption hereof, this Ordinance shall be recorded in a book kept for that purpose and shall be authenticated by the signatures of the Mayor and the Town Clerk.

Section 20. Emergency Declaration. By reason of the fact that the Town must immediately provide for improvements to the existing water system of the Town and must provide for the funding of the cost of said improvements, it is hereby declared that an emergency exists and that this Ordinance is necessary for the preservation of the public peace, health and safety and that it shall become effective upon adoption.

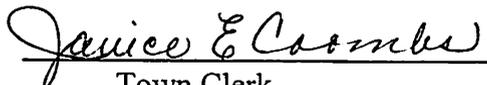
INTRODUCED, READ AND PASSED AS AN EMERGENCY ORDINANCE at a regular meeting of the Board of Trustees on the 14th day of April, 2005, and ordered published in accordance with the provisions of Section 31-16-105, C.R.S.

(SEAL)



Mayor

ATTESTED:



Town Clerk

It was thereupon moved by Trustee James DeGolyer and seconded by Trustee Henry Schimpf that the foregoing Ordinance, introduced at this meeting as aforesaid, be passed and adopted as an emergency ordinance.

The questions being upon the adoption of the motion, the roll was called with the following result:

Those voting YES:

Mayor:	Austin Valdez
Mayor Pro Tem:	James De Golyer
Trustees:	Dick Davidson
	Samuel Montoya Jr.
	Arthur "Tom" Rendon
	Henry Schimpf
	Gloria Valdez

Those voting NO: None

Six (6) members of the members of the Board of Trustees having voted in favor of said motion, the presiding officer thereupon declared the motion carried and that the Ordinance was passed and adopted.

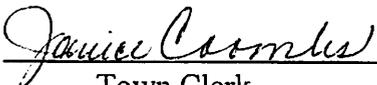
Thereupon, after consideration of other business to come before the Board, the meeting was adjourned.

(S E A L)



Mayor

ATTESTED:



Town Clerk

STATE OF COLORADO)
)
COUNTY OF CONEJOS)
)
TOWN OF LA JARA)

I, Janice Coombs, Town Clerk of the Town of La Jara, Colorado, do hereby certify that the foregoing pages numbered 2 to 8 inclusive, constitute a full and correct copy of the record of the proceedings of the Board of Trustees of the Town, taken at a regular meeting thereof, held on Thursday, the 14th day of April, 2005, at 221 Broadway, in La Jara, Colorado, so far as said minutes relate to an Emergency Ordinance concerning the issuance of a Governmental Agency Bond of the Town; that said Ordinance has been duly authenticated by the signatures of the presiding officer of the Board of Trustees and myself, as Town Clerk of the Town, sealed with the corporate seal of the Town and the Ordinance recorded in the Book of Ordinances kept for that purpose in my office; that said Ordinance was published in accordance with the provisions of Section 31-16-105, C.R.S.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Town, this 15th day of April, 2005.

(SEAL)

Janice Coombs
Town Clerk

CORRECTION MUNICIPAL QUIT CLAIM DEED

THIS DEED, made this 6th day of June, 2005, between

**THE TOWN OF LA JARA, a political subdivision of the state of Colorado,
by and through its duly authorized officers,**

of the County of Conejos and State of Colorado, of the first part, hereinafter referred to as "Town", and

**WILLIAM E. SOWARDS and DANA SOWARDS,
husband and wife,**

the address of whom is: P.O. Box 123, La Jara, CO 81140, of the second part, hereinafter referred to as "Grantees".

WITNESSETH, that the Town, for and in consideration of good and valuable consideration and TEN AND NO/100 DOLLARS to the Town in hand paid by the Grantees, the receipt whereof is hereby confessed and acknowledged, has remised, released, sold, conveyed, and QUIT CLAIMED, and by these presents does remise, release, sell, convey and QUIT CLAIM unto the Grantees, their successor and assigns forever all right, title, and interest, claim and demand which the town has in and to the following alley and right-of-way situate, lying and being in the Town of La Jara, County of Conejos and state of Colorado, said alley and right-of-way being more particularly described as follows, to-wit:

The entire length and width of an alley and alley right-of-way situate within the exterior boundaries of Block 16 of the Town of La Jara as per the Plat thereof as filed in the Office of the Clerk and Recorder of Conejos County, Colorado, on October 24, 1887, in Book 7 at Page 408-409.

(THIS DEED IS BEING GIVEN TO CORRECT THE NAME OF ONE OF THE GRANTEES AS SET FORTH IN A PRIOR DEED BETWEEN THE PARTIES DATED JUNE 2, 2005, AND FILED FOR RECORD IN THE OFFICE OF THE CLERK AND RECORDER OF CONEJOS COUNTY, COLORADO, ON JUNE 3, 2005, UNDER RECEPTION NO. 5000952 IN THAT IN SAID PRIOR DEED, ONE OF THE GRANTEES WAS INCORRECTLY SET FORTH AS EDWARD E. SOWARDS RATHER THAN WILLIAM E. SOWARDS AS SET FORTH ABOVE.)

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereon belonging or anywise thereon appertaining, and all the estate, right, title, interest and claim whatsoever of the Town, either in law or equity, to the only proper use, benefit and behoof of the Grantees, their successors and assigns forever.

IN WITNESS WHEREOF, the Town has caused its name to be hereon subscribed by Austin Valdez, its Mayor, and its town seal to be hereunto affixed and attested by Janice Coombs, its Clerk, the day and year first above written.

THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA

ATTEST:

By: Austin Valdez
Austin Valdez, Mayor

Janice Coombs
Janice Coombs, La Jara Town Clerk

* * * * *

STATE OF COLORADO)
) ss.
County of Conejos)

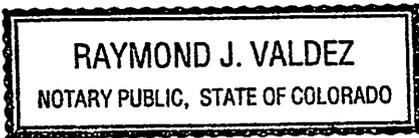
The foregoing instrument was acknowledged before me this 6th day of June, 2005, by Austin Valdez as Mayor and Janice Coombs as Town Clerk of the Town of La Jara, a political subdivision of the state of Colorado.

WITNESS my hand and official seal.

Raymond J. Valdez
Raymond J. Valdez, Notary Public

My commission expires: December 19, 2006.

(SEAL)



MUNICIPAL QUIT CLAIM DEED

THIS DEED, made this 2nd day of June, 2005, between

THE TOWN OF LA JARA, a political subdivision of the state of Colorado, by and through its duly authorized officers,

of the County of Conejos and State of Colorado, of the first part, hereinafter referred to as "Town", and

EDWARD E. SOWARDS and DANA SOWARDS, husband and wife,

the address of whom is: P.O. Box 123, La Jara, CO 81140, of the second part, hereinafter referred to as "Grantees".

WITNESSETH, that the Town, for and in consideration of good and valuable consideration and TEN AND NO/100 DOLLARS to the Town in hand paid by the Grantees, the receipt whereof is hereby confessed and acknowledged, has remised, released, sold, conveyed, and QUIT CLAIMED, and by these presents does remise, release, sell, convey and QUIT CLAIM unto the Grantees, their successor and assigns forever all right, title, and interest, claim and demand which the town has in and to the following alley and right-of-way situate, lying and being in the Town of La Jara, County of Conejos and state of Colorado, said alley and right-of-way being more particularly described as follows, to-wit:

The entire length and width of an alley and alley right-of-way situate within the exterior boundaries of Block 16 of the Town of La Jara as per the Plat thereof as filed in the Office of the Clerk and Recorder of Conejos County, Colorado, on October 24, 1887, in Book 7 at Page 408-409.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereon belonging or anywise thereon appertaining, and all the estate, right, title, interest and claim whatsoever of the Town, either in law or equity, to the only proper use, benefit and behoof of the Grantees, their successors and assigns forever.

IN WITNESS WHEREOF, the Town has caused its name to be hereon subscribed by Austin Valdez, its Mayor, and its town seal to be hereunto affixed and attested by Janice Coombs, its Clerk, the day and year first above written.

THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA

ATTEST:

By: Austin Valdez, Mayor

Janice Coombs, La Jara Town Clerk

STATE OF COLORADO)
) ss.
County of Conejos)

The foregoing instrument was acknowledged before me this day of June, 2005, by Austin Valdez as Mayor and Janice Coombs as Town Clerk of the Town of La Jara, a political subdivision of the state of Colorado.

WITNESS my hand and official seal.

Raymond J. Valdez, Notary Public

My commission expires: December 19, 2006.

(S E A L)