ORDINANCE NO. 527

AN ORDINANCE TO CONTRACT AN INDEBTEDNESS ON BEHALF OF THE CITY OF LAS ANIMAS, COLORADO, AND UPON THE CREDIT THEREOF BY ISSUING GENERAL OBLIGATION WATER REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF $455,000 FOR THE PURPOSE OF REFUNDING VALID AND OUTSTANDING GENERAL OBLIGATION WATER BONDS OF THE CITY; PROVIDING FOR THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES AND THE APPLICATION OF ANY OTHER AVAILABLE REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PROVIDING CERTAIN OTHER DETAILS CONCERNING THE ISSUANCE THEREOF; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Las Animas, Bent County, Colorado (the "City"), presently owns, operates, and maintains a municipal waterworks system for the City and its inhabitants; and

WHEREAS, the City has heretofore duly authorized, sold, issued and delivered to the United States Department of Agriculture, Farmers Home Administration (the "FmHA") $613,000 of its General Obligation Water Bond, Series 1978, dated December 12, 1978, of which issue there remains outstanding the total amount of $554,000 (the "FmHA Bond"); and

WHEREAS, the FmHA Bond is payable in installments of principal, and if held by the FmHA, such installments may be redeemed at the option of the City at any time in inverse numerical order, upon payment of par and accrued interest to the date of redemption, without redemption premium; and

WHEREAS, the City has also heretofore duly authorized, sold, issued, and delivered to the purchasers thereof $125,000 of its General Obligation Water Bonds, dated February 1, 1978, of which issue there remains outstanding the total amount of $75,000 (the "1978 Bonds"), in the denomination of $5,000 each, bearing interest payable semiannually on June 1 and December 1 each year, and maturing on December 1 each year as follows:
<table>
<thead>
<tr>
<th>Amount</th>
<th>Maturity</th>
<th>Interest-Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>1989</td>
<td>5.60%</td>
</tr>
<tr>
<td>5,000</td>
<td>1990</td>
<td>5.70</td>
</tr>
<tr>
<td>5,000</td>
<td>1991</td>
<td>5.75</td>
</tr>
<tr>
<td>5,000</td>
<td>1992</td>
<td>5.80</td>
</tr>
<tr>
<td>10,000</td>
<td>1993</td>
<td>5.85</td>
</tr>
<tr>
<td>10,000</td>
<td>1994</td>
<td>5.90</td>
</tr>
<tr>
<td>10,000</td>
<td>1995</td>
<td>6.00</td>
</tr>
<tr>
<td>10,000</td>
<td>1996</td>
<td>6.00</td>
</tr>
<tr>
<td>15,000</td>
<td>1997</td>
<td>6.00</td>
</tr>
</tbody>
</table>

WHEREAS, the principal of and interest on the 1978 Bonds are payable at the Office of the City Treasurer, in Las Animas, Colorado; and

WHEREAS, none of the installments of the FmHA Bond or the 1978 Bonds (collectively referred to as the "Outstanding Bonds") to be redeemed pursuant to the terms of this Ordinance have heretofore been refunded, nor have any of the same been redeemed or otherwise paid, cancelled, or retired by the City; and

WHEREAS, pursuant to a discount purchase program offered by FmHA, the City is entitled to redeem the FmHA Bond at a substantial discount from the face value thereof; and

WHEREAS, after extended discussions and consultation, it has been determined by the City Council of the City (the "City Council"), that by entering into and completing a refunding program at this time, the City Council can reduce the total principal and interest payable over the life of the Outstanding Bonds; and

WHEREAS, pursuant to Title 11, Article 56, Part 1, C.R.S., the City is authorized to issue bonds for the purpose of refunding valid outstanding general obligations of the City; and

WHEREAS, the city council has determined and hereby determines that it is in the best interests of the City, and the residents and taxpayers thereof, that the Outstanding Bonds be refunded and that general obligation water refunding bonds (the "Bonds") be issued in the aggregate principal amount of $455,000 for such purpose; and
WHEREAS, a portion of the proceeds derived from the sale of the Bonds, after payment of the costs and expenses of the refunding procedure, shall be placed in a special fund and trust account, to be established as herein authorized, for the purpose only of paying the principal of and interest on the 1978 Bonds as they become due and payable, all as is more particularly hereinafter set forth; and

WHEREAS, the City has received a proposal to purchase the Bonds in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement"), from Kirchner Moore & Company, Denver, Colorado (the "Underwriter"), and the City Council has determined to sell the Bonds to the Underwriter at the price and upon the terms and conditions set forth in the Bond Purchase Agreement, and that such sale is to the best advantage of the City; and

WHEREAS, insofar as it is necessary to issue the Bonds immediately and close the transaction as soon as possible in order to take advantage of presently existing interest rates, this Ordinance is necessary to the immediate preservation of the public health and safety; and

WHEREAS, it is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAS ANIMAS, COLORADO:

Section 1. Authorization. In accordance with the constitution of the State of Colorado; Title 11, Article 56; C.R.S.; all other laws of the State of Colorado thereunto enabling; and the provisions of this Ordinance, the City shall issue its general obligation bonds, each to be designated "General Obligation Water Refunding Bond, Series 1989", in the total principal amount of $455,000 (the "Bonds"), in order to provide funds for the purpose of refunding the Outstanding Bonds. The Bonds shall constitute general obligations of the City, and the
full faith and credit of the City shall be pledged for their payment.

Section 2. Bond Details. The Bonds shall be issued only as fully registered Bonds without coupons in the denomination of $5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-".

The Bonds shall be dated as of April 15, 1989, shall bear interest payable semiannually on each June 1 and December 1, commencing on December 1, 1989, and shall mature on December 1 each year, as follows:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>$10,000</td>
<td>7.25%</td>
</tr>
<tr>
<td>1990</td>
<td>10,000</td>
<td>7.25</td>
</tr>
<tr>
<td>1991</td>
<td>10,000</td>
<td>7.40</td>
</tr>
<tr>
<td>1992</td>
<td>10,000</td>
<td>7.50</td>
</tr>
<tr>
<td>1993</td>
<td>10,000</td>
<td>7.60</td>
</tr>
<tr>
<td>1994</td>
<td>10,000</td>
<td>7.70</td>
</tr>
<tr>
<td>1995</td>
<td>15,000</td>
<td>7.75</td>
</tr>
<tr>
<td>1996</td>
<td>15,000</td>
<td>7.80</td>
</tr>
<tr>
<td>1997</td>
<td>15,000</td>
<td>7.90</td>
</tr>
<tr>
<td>1998</td>
<td>15,000</td>
<td>8.00</td>
</tr>
<tr>
<td>1999</td>
<td>20,000</td>
<td>8.00</td>
</tr>
<tr>
<td>2009</td>
<td>315,000</td>
<td>8.60</td>
</tr>
</tbody>
</table>

The maximum net effective interest rate authorized for the Bonds is 9.00% per annum, and the actual net effective interest rate of the Bonds does not exceed such maximum rate.

Section 3. Payment of Bonds; Paying Agent and Bond Registrar. The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the registered owner of each Bond upon maturity or prior redemption and presentation at the principal office of Central Bank Denver, National Association, in Denver, Colorado, or its successor, as paying agent (the "Paying Agent"). Notwithstanding anything contained in this Ordinance to the contrary, interest on any Bond is payable to the person in whose name such Bond is registered, at
his address as it appears on the registration books maintained by
or on behalf of the City by Central Bank Denver, National
Association, in Denver, Colorado, or its successor, as bond
registrar (the "Bond Registrar"), at the close of business on the
fifteenth (15th) day of the calendar month next preceding each
interest payment date (the "Record Date"), irrespective of any
transfer or exchange of such Bond subsequent to such Record Date
and prior to such interest payment date. Such payment shall be
paid by check or draft of the Paying Agent mailed on or before the
interest payment date to such registered owner.

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.

The principal of, premium if any, and interest on the
Bonds shall be paid in accordance with the terms of a "Paying
Agent and Registrar Agreement" between the City and the Paying
Agent/Registrar.

Section 4. Prior Redemption. Bonds maturing on and
after December 1, 1997, are subject to redemption prior to
maturity, at the option of the City, as a whole or in integral
multiples of $5,000, in any order of maturity, on December 1,
1996, and on any interest payment date thereafter, upon payment of
par and accrued interest, without redemption premium.

Bonds maturing on December 1, 2009, also are subject to
mandatory sinking fund redemption, in part, by lot, on December 1,
2000, and on each December 1 thereafter prior to the maturity date
of such Bonds, upon payment of par and accrued interest, without
redemption premium, in the annual amounts set forth below:
<table>
<thead>
<tr>
<th>Redemption</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$20,000</td>
</tr>
<tr>
<td>2001</td>
<td>20,000</td>
</tr>
<tr>
<td>2002</td>
<td>25,000</td>
</tr>
<tr>
<td>2003</td>
<td>25,000</td>
</tr>
<tr>
<td>2004</td>
<td>30,000</td>
</tr>
<tr>
<td>2005</td>
<td>30,000</td>
</tr>
<tr>
<td>2006</td>
<td>35,000</td>
</tr>
<tr>
<td>2007</td>
<td>40,000</td>
</tr>
<tr>
<td>2008</td>
<td>45,000</td>
</tr>
<tr>
<td>2009</td>
<td>45,000 (final maturity, not a sinking fund payment)</td>
</tr>
</tbody>
</table>

On or before forty-five (45) days prior to each sinking fund installment date, the Bond Registrar shall select for redemption, by lot in such manner as the Bond Registrar may determine, from the outstanding Bonds maturing on December 1, 2009, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment may be reduced by the principal amount of any Bonds maturing on December 1, 2009, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment.

If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Bond Registrar shall determine. The Bonds shall be redeemed only in integral multiples of $5,000. In the event a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in the principal amount of $5,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $5,000.

In the event any of the Bonds or portions thereof (which shall be in amounts equal to $5,000 or any integral multiple
thereof) are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid), not less than thirty (30) days nor more than ninety (90) days prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the City by the Bond Registrar. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Section 5. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor of the City, sealed with a facsimile or manual impression of the seal of the City, and attested and countersigned by the facsimile or manual signature of the City Clerk and Treasurer. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to a purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

The Bonds may contain a reproduction of the opinion of nationally recognized municipal bond counsel as to the Bonds and a certification of such opinion by the City Clerk.

The Bonds shall recite that they are issued under the authority of Title 11, Article 56, C.R.S. Such recital shall conclusively impart full compliance with all provisions and limitations of said Article 56, and all Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

The Bonds shall be in substantially the following form:
The City of Las Animas, in the County of Bent and State of Colorado, a municipal corporation duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the City promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 1, 1989, in which event this Bond shall bear interest from April 15, 1989, at the interest rate per annum specified above. Interest on this Bond is payable semiannually on June 1 and December 1 each year, commencing on December 1, 1989, until such principal amount is paid at maturity or upon prior redemption. The principal of this Bond and premium, if any, are payable in lawful money of the
United States of America to the registered owner upon maturity or prior redemption and presentation at the principal office of Central Bank Denver, National Association, in Denver, Colorado, or its successor, as Paying Agent.

Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the City maintained by or on behalf of the City by Central Bank Denver, National Association, in Denver, Colorado, or its successor, as Bond Registrar, at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the "Record Date"), and shall be paid by check or draft of the Paying Agent mailed on or before the interest payment date to such registered owner at his address as it appears on such registration books.

If the date for making any payment or performing any action 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.

REFERENCE IS HEREBY MADE TO FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH IN THIS PLACE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the authorizing Bond Ordinance until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the City Council of the City of Las Animas, Colorado, has caused this Bond to be signed by the
facsimile signature of the Mayor of the City, sealed with a facsimile of the seal of the City, and attested and countersigned by the facsimile signature of the City Clerk and Treasurer, all as of the 15th day of April, 1989.

(FACSIMILE SEAL)  
CITY OF LAS ANIMAS, COLORADO

By:  (Facsimile Signature)  
Mayor

ATTESTED AND COUNTERSIGNED:

By:  (Facsimile Signature)  
City Clerk and Treasurer

[Form of Bond Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication:  

CENTRAL BANK DENVER,  
NATIONAL ASSOCIATION,  
Denver, Colorado,  
as Bond Registrar

By:  Authorized Signatory
ADDITIONAL PROVISIONS

This Bond is one of a series aggregating Four Hundred and Fifty-five Thousand Dollars ($455,000) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Las Animas, in the County of Bent and State of Colorado, for the purpose of refunding valid and outstanding general obligation water bonds of the City, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 11, Article 56, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Ordinance authorizing the issuance of this Bond. Pursuant to Section 11-56-107(6) of said Article 56, such recital shall conclusively impart full compliance with all of the provisions of said Article, and this Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the City, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado, and that provision has been made for the levy and collection of an ad valorem tax on all of the taxable property within the City, without limitation of rate or amount, to the extent other funds are not made available for such payments, sufficient to pay the principal of and interest on this Bond as the same respectively become due.

The full faith and credit of the City are hereby pledged for the punctual payment of the principal of and interest on this Bond.
Bonds of this issue maturing on and after December 1, 1997, are subject to redemption prior to maturity, at the option of the City, as a whole or in integral multiples of $5,000, in any order of maturity, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 1996, and on any interest payment date thereafter, upon payment of par and accrued interest, without redemption premium.

The Bonds maturing on December 1, 2009, also are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2000, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, pursuant to sinking fund installments provided in the Bond Ordinance.

The Bonds will be redeemed only in integral multiples of $5,000. In the event a Bond is of a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in the principal amount of $5,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $5,000.

Notice of prior redemption shall be given by mailing a copy of the redemption notice, not less than thirty (30) days nor more than ninety (90) days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by the Bond Registrar, in the manner set forth in the authorizing Bond Ordinance. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The City and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of
business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Bond Registrar, but only in the manner, subject to the limitations, and upon payment of the charges provided in the authorizing Bond Ordinance and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Bond Registrar of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Bond Registrar shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.
ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

SOCIAL SECURITY OR FEDERAL EMPLOYER IDENTIFICATION NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:________________________

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)
Section 6. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the purchasers thereof, as directed by the City, and in accordance with the Bond Purchase Agreement.

Section 8. Registration, Exchange, and Transfer of Bonds; Persons Treated as Owners. The Bond Registrar shall maintain the books of the City for the registration of ownership of each Bond as provided in this Ordinance. Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Bond Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of
any Bond shall be effective until entered on the registration books.

In all cases of the transfer of a Bond, the Bond Registrar shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Ordinance. The Bond Registrar shall charge the owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The City and Bond Registrar shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Bond Registrar shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same obligation as the Bonds surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The City, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of any Bond as the absolute owner thereof for all purposes (whether or not such Bond shall be
overdue), and any notice to the contrary shall not be binding upon the City, the Paying Agent, or the Bond Registrar.

Section 9. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Bond Registrar for cancellation pursuant to this Ordinance and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Bond Registrar for transfer or exchange pursuant to the provisions hereof, such Bond shall be cancelled and destroyed by the Bond Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Bond Registrar to the City.

Section 10. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Bond Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Bond Registrar.

Section 11. Disposition and Investment of Bond Proceeds; Tax Covenants. The Bonds shall be issued and sold for the purpose of paying the costs of refunding the Outstanding Bonds. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City 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. It is hereby covenanted and agreed by the City that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect
the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

The City hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 12. Creation of Accounts. There are hereby created and established the following accounts, which shall be established as book accounts and maintained by the City in accordance with the provisions of this Ordinance:

(i) the "City of Las Animas General Obligation Water Bond Rebate Account, 1989" (the "Rebate Account");
(ii) the "City of Las Animas General Obligation Water Bond Account, 1989" (the "Bond Account");
(iii) the "City of Las Animas General Obligation Water Bond Refunding Escrow Account, 1989" (the "Escrow Account").

Section 13. Rebate Account. The City covenants to deposit into and to pay from the Rebate Account from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Bonds from time to time. The making of deposits to the Rebate Account as required by this paragraph supersedes all other provisions of this Ordinance concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys contained in the Rebate Account are not subject to any lien created hereunder for the benefit of the registered owners of the Bonds. This covenant shall survive the payment in full or the defeasance of the Bonds.

Section 14. Pledge of Ad Valorem Taxes; Bond Account. If necessary, the interest to become due on the Bonds through December 1, 1989, shall be advanced from any revenues or funds of the City lawfully available for such purpose, including but not
limited to the accrued interest, if any, paid by the Underwriter as part of the purchase price of the Bonds, which accrued interest shall be deposited to the Bond Account immediately upon receipt and used to pay the interest on the Bonds. For the purpose of reimbursing said advance and paying the interest on and principal of the Bonds as the same become due and payable respectively, there shall be levied on all of the taxable property in the City, in addition to all other taxes, direct annual taxes in each of the years 1989 to 2008, inclusive, sufficient to make such reimbursement and pay the interest on and principal of the Bonds as the same become due and payable, respectively, to the extent other funds are not made available for such payments. Such ad valorem taxes shall be levied in addition to all other taxes levied to effect the purposes of the City, including taxes levied to meet the City's operation and maintenance expenses.

Said taxes when collected (less any amount necessary to repay said advance) shall be deposited in the Bond Account and applied solely for the payment of the interest on and principal of the Bonds, respectively, until the Bonds, as to both principal and interest, shall be fully paid, satisfied, and discharged; provided however, that nothing herein contained shall be so construed as to prevent the City from applying any other funds or revenues that may be in the treasury of the City and available for that purpose, to the payment of the interest on or principal of the Bonds, and upon the application of any other such funds or revenues as aforesaid, the mill levy or levies herein provided may thereupon to that extent be diminished.

The foregoing provisions of this Ordinance are hereby declared to be the certificate of the City Council to the Board of County Commissioners of Bent County, Colorado, showing the aggregate amount of taxes to be levied for the purposes aforesaid by said Board of County Commissioners from time to time, as required by law, for the purpose of reimbursing said advance, if
any, and paying the principal of and the interest on the Bonds as
the same hereafter mature or accrue.

The amounts necessary to pay all costs and expenses
incidental to the issuance of the Bonds and the amounts herein-
above provided to pay the interest on the Bonds and to discharge
the principal thereof when due are hereby appropriated for said
purposes, and such amounts as appropriate for each year shall also
be included in the annual budget and the appropriation bills to be
adopted and passed by the City Council in each year, respectively,
until the Bonds have been fully paid, satisfied, and discharged.

It shall be the duty of the City Council, annually, at
the time and in the manner provided by law for levying other City
taxes, if such action shall be necessary to effectuate the
provisions of this Ordinance, to ratify and carry out the
provisions hereof with reference to the levying and collection of
taxes; and the City Council shall levy, certify, and collect said
taxes in the manner provided by law for the purpose of funding the
Bond Account for the payment of the principal of the Bonds and
interest thereon, and said taxes, when collected, shall be kept
for and applied only to the payment of the interest on and
principal of the Bonds as hereinabove specified.

Section 15. Additional Tax Levies in the Event of
Delinquency. Said taxes shall be levied, assessed, collected, and
enforced at the time and in the form and manner and with like
interest and penalties as other general taxes in the State of
Colorado, and when collected said taxes shall be paid to the City
as provided by law. In the event any of said levies or the
charges that may be made by the City shall fail to produce an
amount sufficient to pay the interest on and the principal of the
Bonds becoming due in the next succeeding year, the deficit shall
be made up in the next levy, and taxes shall continue to be levied
until the Bonds and the interest thereon shall be paid in full.
The City Council shall take all necessary and proper steps to
enforce promptly the payment of taxes levied pursuant to this Ordinance.

Section 16. Application of Net Revenues. Notwithstanding the foregoing provisions for tax levies, the City covenants and agrees to establish, maintain, and enforce a schedule of rates, tap fees, tolls, and charges for the availability of, connection to, and use of the water facilities of the City, which together with said tax levies and all other legally available revenues of the City, shall be sufficient to pay the cost of operating and maintaining said facilities and to pay the principal of and interest on the Bonds as the same respectively mature and accrue. However, the Bonds do not constitute a lien or encumbrance on such revenues and this section shall not be construed as a limitation upon the City's ability to pledge or otherwise encumber said revenues.

Section 17. Collection of Delinquent Rates, Tap Fees, Tolls, and Charges. The City Council shall take all necessary and proper steps to enforce promptly the payment of rates, tap fees, tolls, and charges levied pursuant to this Ordinance or other ordinances, resolutions, or acts of the City Council.

Section 18. Defeasance. When all principal, interest, and premiums, if any, in connection with the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient, including the known minimum yield from non-callable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Federal Securities"), in which such amount may be initially invested, to meet all requirements of principal, interest, and premiums, if any, as the same become due.
to their final maturities or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule.

Section 19. Payment of Outstanding Bonds. A portion of the proceeds of the Bonds, less certain costs and expenses of issuance payable therefrom, which expenses are hereby authorized to be paid from the proceeds of the Bonds, and certain other legally available money of the City, shall be applied immediately upon receipt to pay and redeem the FmHA Bond. On the date of delivery of the Bonds, the City shall transfer to FmHA, as the registered owner of the FmHA Bond, a sum sufficient to pay the principal of and interest on the FmHA Bond in accordance with the FmHA discount purchase program, and the FmHA Bond shall be delivered to the City and cancelled as soon thereafter as is possible.

A portion of the proceeds of the Bonds shall be deposited by the City in the Escrow Account to be established and maintained at Central Bank Denver, National Association, in Denver, Colorado (the "Bank").

The Bank is hereby authorized and directed to use such moneys to provide for the payment of the acquired obligations to be held in the Escrow Account and to fund the Escrow Account with the necessary beginning cash, if any, as required in accordance with the escrow sufficiency computations verified by a Certified Public Accountant.

Thereupon, the balance, if any, of Bond proceeds held by the Bank, the City, or any other person, shall be deposited in the Bond Account. The foregoing provision shall apply only to excess funds in the Escrow Account on hand at the time of delivery of the
Bonds, and no further distribution of funds on hand in the Escrow Account shall be made to the City except at the time of termination of the Escrow Agreement between the City and the Bank (the "Escrow Agreement") or as provided therein.

Section 20. Use of Escrow Account. The Escrow Account, when invested by the Bank, shall at all times be at least sufficient to pay the principal of, premium if any, and interest on the 1978 Bonds, under and in accordance with the following schedule:

(A) The 1978 Bonds shall be paid and retired at their respective maturity dates according to their original terms.

(B) Interest on the 1978 Bonds which comes due in the years 1989 and thereafter shall be paid semiannually each year on the proper interest payment dates according to their original terms, until the 1978 Bonds mature.

Section 21. Investment of Escrow Account. In accordance with the Escrow Agreement, the Bank shall invest the funds on deposit in the Escrow Account in non-callable Federal Securities only, and shall fully secure any cash balance in the Escrow Account in the manner required by law for other trust funds; provided however, that the Bank may substitute obligations in the Escrow Account pursuant to the Escrow Agreement.

Section 22. Additional Deposits. If for any reason the funds on hand in the Escrow Account shall be at any time insufficient to meet payments of principal of, premium if any, and interest on the 1978 Bonds, as the same shall become due and payable in accordance with the schedule set forth herein, the City shall forthwith deposit in the Escrow Account such additional funds as may be required to pay the entire amount about to become due and payable.

Section 23. Obligations of Bank. The Bank shall from time to time redeem at maturity all or a portion of the non-callable Federal Securities in the Escrow Account in sufficient amounts so that the proceeds therefrom and the interest thereon as
the same accrues will be sufficient to pay the principal of, premium if any, and interest on the 1978 Bonds as the same become due in accordance with the schedule set forth herein.

Section 24. Notice of Refunding. The City Treasurer is hereby authorized and directed to give notice of refunding of the 1978 Bonds at or about the time of such refunding. Unless additional and more extensive notice is required by law, the notice shall be sent by mail to the paying agent for the 1978 Bonds and to the original purchaser of the 1978 Bonds.

Section 25. Authorization to Execute Documents. The Mayor and City Clerk of the City 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 a Paying Agent and Registrar Agreement, an Escrow Agreement, and such certificates and affidavits as may reasonably be required by the Underwriter. The execution by the Mayor of the City of any document authorized herein shall be conclusive proof of the approval by the City of the terms thereof.

Section 26. Declaration and Findings. Having been fully informed of and having considered all the pertinent facts and circumstances, the City Council does hereby find, determine, and declare:

(a) The taxable property upon which taxes will be levied for the payment of the Bonds is identical to the taxable property upon which tax levies are being made for the payment of the Outstanding Bonds, and the Bonds shall be payable from the same funds to be derived from the same source as would have been used to pay the Outstanding Bonds if no refunding thereof were to occur;

(b) The funds and investments to be placed in the Escrow Account, together with interest to be derived from such investments, are in an amount which at all times shall be sufficient to pay the 1978 Bonds as they become due at their
respective maturities as to principal, premium if any, and interest, and the computations made in determining such sufficiency have been verified by a Certified Public Accountant;

(c) The total aggregate amount of bonded indebtedness of the City does not now, nor shall it upon the issuance of the Bonds, exceed any applicable limit prescribed by the constitution or laws of the State of Colorado;

(d) The issuance of the Bonds, the refunding of the Outstanding Bonds, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions, and limitations prescribed by the constitution and laws of the State of Colorado thereunto enabling, particularly Title 11, Article 56, C.R.S.; and

(e) Entering into and completing the refunding program herein authorized at this time will enable the City Council to reduce the total principal and interest payable over the life of the Outstanding Bonds.

Section 27. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation all expenses related to the refunding procedure, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, in an aggregate amount not to exceed $25,000, and such moneys are hereby appropriated for that purpose.

Section 28. Acceptance of Purchase Agreement. The City Council does hereby reaffirm its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and to sell the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement. The Mayor of the City is hereby authorized to execute the Bond Purchase Agreement and the City Clerk is hereby authorized to attest to such execution, all on behalf of the City.

Section 29. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and the
members of the City Council, not inconsistent with the provisions of this ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 30. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 31. Emergency Declaration. Insofar as it is necessary to issue the Bonds immediately and close the transaction as soon as possible in order to take advantage of presently existing interest rates, the provisions of this Ordinance are hereby declared to be necessary to the immediate preservation of the public health and safety, and shall become effective upon adoption in accordance with Section 31-16-105, C.R.S.

Section 32. Repealer. All orders, bylaws, ordinances, and resolutions of the City, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

Section 33. 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 34. Recording and Authentication. Immediately on its passage this Ordinance shall be recorded in the book of ordinances of the City kept for that purpose, authenticated by the signatures of the Mayor and City Clerk, and shall be published as required by law.

INTRODUCED, READ AND PASSED on first reading at a regular meeting of the City Council on April 4, 1989; ordered published in full in the Bent County Democrat in its issue of
April 6, 1989, and consideration on final passage set for a special meeting of the City Council to be held on Tuesday, April 18, 1989, at 7:30 P.M. at the City Hall, in Las Animas, Colorado.

(SEAL)

Mayor

ATTESTED:

City Clerk

(The following to be inserted upon final publication of the Ordinance)

FINALLY ADOPTED AND APPROVED this 18th day of April, 1989.

(SEAL)

Mayor

ATTESTED:

City Clerk
It was thereupon moved by Councilmember Willard Wight and seconded by Councilmember Leo Lockhart that the foregoing Ordinance, introduced and read in full at this meeting, be passed on first reading and published in full in the Bent County Democrat, a newspaper published and having general circulation in the City, in its issue of April 6, 1989, and that the Ordinance be considered for second reading and final passage at a special meeting of the City Council to be held on Tuesday, April 18, 1989.

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

Those voting YES:

Linda Brundage
Bill Howland
Leo Lockhart
Emery G. Murray
Robert Smith
Willard Wight

Those voting NO:

A majority of the members of the City Council having voted in favor of the motion, the presiding officer thereupon declared the motion carried and the Ordinance passed on first reading.

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

( S E A L )

Leonard Hurdrell
Mayor

ATTESTED:

L. M. Maguin
City Clerk
STATE OF COLORADO
COUNTY OF BENT
CITY OF BRUSH

I, Lila M. Maupin, City Clerk of the City of Brush, Colorado, do hereby certify that the foregoing pages numbered 1 to 29, inclusive, contain a true and correct copy of proceedings taken by the City Council of the City at a regular meeting thereof held on Tuesday, April 4, 1989, insofar as said proceedings relate to the introduction on first reading of an Ordinance, a true and correct copy of which is therein set forth, concerning the issuance of General Obligation Water Refunding Bonds, Series 1989, of the City.

I further certify that the Ordinance was published in full in the Bent County Democrat, a newspaper published and having general circulation in the City and legally qualified for City publications, as evidenced by an affidavit of publication thereof attached hereto.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the City, this 29th day of April, 1989.

(SEAL)

Lila M. Maupin
City Clerk

- 30 -
Proof of Publication

Bent County Democrat

Las Animas, Colorado

STATE OF COLORADO

COUNTY OF BENT

Thomas M. Fasano

I, Thomas M. Fasano, do solemnly swear that I am the editor, publisher or business manager, of the BENT COUNTY DEMOCRAT; that the same is a weekly newspaper printed, in whole or in part, and published in the County of Bent, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Bent for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 (one) consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated April 6, 1989, and that the last publication of said notice was in the issue of said newspaper dated April 6, 1989.

In Witness Whereof I have hereunto set my hand this 6th day of April, 1989.

Thomas M. Fasano

Subscribed and sworn to before me, a notary public in and for the County of Bent, State of Colorado, this 6th day of April, 1989.

Lois Moss
Notary Public

My commission expires Feb. 12, 1991
STATE OF COLORADO
COUNTY OF BENT
CITY OF LAS ANIMAS

The City Council of the City of Las Animas, Colorado, met in special session in full conformity with law and the ordinances and rules of the City, at the City Hall, in Las Animas, Colorado, on Tuesday, the 18th day of April, 1989, at 7:30 P.M.

Upon roll call, the following members of the City Council were present, constituting a quorum:

Mayor: Leonard Hudnall
Mayor Pro-Tem: Leo Lockhart
Councilmembers: Linda Brundage, Bill Howland, Emery G. Murray, Robert Smith, Willard Wight

Also Present: City Clerk/Treasurer: Lila M. Maupin
Absent: 

Thereupon the following proceedings, among others, were had and taken.

The City Clerk informed the City Council that an Ordinance relating to the issuance of General Obligation Water Refunding Bonds, Series 1989, which was introduced on first reading at a regular meeting on April 4, 1989, was duly published once in full in the Bent County Democrat, a newspaper published and having general circulation in the City.

The Ordinance was then read by title:
ORDINANCE NO. _527_

AN ORDINANCE TO CONTRACT AN INDEBTEDNESS ON BEHALF OF THE CITY OF LAS ANIMAS, COLORADO, AND UPON THE CREDIT THEREOF BY ISSUING GENERAL OBLIGATION WATER REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF $455,000 FOR THE PURPOSE OF REFUNDING VALID AND OUTSTANDING GENERAL OBLIGATION WATER BONDS OF THE CITY; PROVIDING FOR THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES AND THE APPLICATION OF ANY OTHER AVAILABLE REVENUES FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PROVIDING CERTAIN OTHER DETAILS CONCERNING THE ISSUANCE THEREOF; AND DECLARING AN EMERGENCY.

Councilmember _Leo Lockhart_ moved that the Ordinance be finally passed and adopted as an emergency Ordinance. Councilmember _Emery Murray_ seconded the motion, and the question being upon the final passage of said Ordinance, the roll was called with the following result:

Those voting YES:

Linda Brundage  
Bill Howland  
Leo Lockhart  
Emery G. Murray  
Robert Smith  
Willard Wight

Those voting NO: _none_ 

six members of the City Council having voted in favor of the passage and adoption of the Ordinance, being at least three-fourths (3/4) of all the Councilmembers, the presiding officer thereupon declared the motion carried.
It was then directed that the Ordinance be published by title in the Bent County Democrat, and be recorded by the City Clerk in the Ordinance Book according to law.

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

(SEAL)

Leonard Neidwell
Mayor

ATTESTED:

Lila M. McFarren
City Clerk
STATE OF COLORADO  
COUNTY OF BENT  
CITY OF LAS ANIMAS  

I, Lila M. Maupin, City Clerk of the City of Las Animas, Colorado, do hereby certify that the foregoing pages numbered 32 to 34, inclusive, contain a true and correct copy of the proceedings taken by the City Council of the City at a special meeting thereof, held on Tuesday, April 18, 1989, insofar as said proceedings relate to the passage and adoption of Ordinance No. 527, concerning the issuance of General Obligation Water Refunding Bonds, Series 1989, of the City; that attached hereto is an Affidavit of Publication of the Ordinance as finally passed and adopted by the City Council at said meeting; that the original Ordinance was duly authenticated by the signatures of the Mayor and myself, as City Clerk of the City, sealed with the corporate seal of the City, signed and approved by the Mayor thereof, and recorded in the Ordinance Book of the City kept for that purpose in my office, which record has been duly signed by said officers and sealed with the seal of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the City, this 28th day of April, 1989.

(SEAL)  
Lila M. Maupin  
City Clerk