

ORDINANCE NO. 34A

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUE OF ONE \$75,000.00 GENERAL OBLIGATION BOND FOR THE PURPOSE OF DEFRAYING THE COST OF IMPROVING AND EXTENDING THE PRESENT WATERWORKS SYSTEM OF THE TOWN OF STRATTON, COLORADO; PRESCRIBING ALL THE DETAILS OF SAID BONDS, AND ALLOWING FOR THE LEVY OF TAXES TO PAY THE PRINCIPAL AND INTEREST THEREON OF SAID BOND ISSUE

WHEREAS, the Town of Stratton, Kit Carson County, Colorado, ("Town") is now and has for many years been operating and maintaining a municipal waterworks system in and for the Town; and,

WHEREAS, the Board of Trustees of Town has made inquiry into the present and future needs of the municipal waterworks system to supply water and now finds that it is deemed advisable, necessary, and in the best interests of the Town and its inhabitants that improvements and extensions be made to said existing waterworks system, including, but not limited to, the drilling of a new well, the painting of the municipal water storage tower, together with all electrical work, piping, extensions and valves necessary to integrate said improvements with the existing water distribution system, and in accordance with plans and specifications therefore which have been approved by the Board of Trustees for the Town and which are now on file in the office of the Clerk for public inspection; and,

WHEREAS, the total estimated cost of such improvements and extensions is the sum of \$75,000.00; and,

WHEREAS, in order to raise the funds required to construct the above mentioned improvements and extensions to said waterworks system, it will be necessary that the Town borrow the sum of \$75,000.00 and in evidence thereof, issue its General Obligation Bond in the principal amount of \$75,000.00; said General Obligation Bond to be paid out of the General Revenue of the Town of Stratton, Colorado; and,

WHEREAS, it is necessary that the Board of Trustees levy taxes to pay said principal and the interest thereon; and,

WHEREAS, the Town of Stratton, Colorado, is authorized to issue a General Obligation Bond for the purpose of providing funds to supply water to promote the general health, wealth, and general welfare of the owners of real property and the residents of the town as contemplated by C.R.S. 31-15-302; and,

WHEREAS, the Board of Trustees has determined that the period of usefulness of said waterworks system and the improvements and extensions to be made thereto to be 40 years; and,

WHEREAS, such indebtedness does not constitute an indebtedness which requires an election as provided for under the provisions of C.R.S. 32-1-1101(1)-(5); and or any amendments thereto and or supplementary statutes, and;

WHEREAS, the Board of Trustees has negotiated with the First National Bank of Stratton, having its principal place of business within the boundaries of the Town of Stratton, in regard to interest rates, provisions, terms, and conditions of the loan and bond in evidence thereof; and,

WHEREAS, the Board of Trustees has found the interest rate, and the terms, conditions and provisions of the loan and bond in evidence thereof to be reasonable,

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF STRATTON, KIT CARSON COUNTY, COLORADO, AS FOLLOWS:

1. There shall be issued and sold a General Obligation Bond of said Town, to be designated "General Obligation Bond," in the principal amount of \$75,000.00 which shall bear the date of August 8, 1985.

2. Said Bond shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF KIT CARSON

TOWN OF STRATTON

GENERAL OBLIGATION WATER BOND

August 8, 1985

Know all men by these presents that the Town of Stratton, Colorado, a duly organized and existing municipal corporation, for value received, does hereby promise and agree to pay to the registered holder hereof, the sum of

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SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00)

together with the maximum net effective interest thereon at the annual rate of ten percent (10%) from the date of the payment for and after delivery of this Bond, as evidenced by the certificate of delivery of the Treasurer of the Town of Stratton, the same appearing at the end of this Bond.

The principal sum of Seventy-five Thousand Dollars (\$75,000.00) shall be repaid to the registered holder of this Bond as hereinafter provided in twenty (20) annual installments of \$3,750.00 each, commencing on the first day of July, 1986, and a like payment of \$3,750.00 on the first day of July of each and every succeeding year thereafter until July 1, 2005, on which date a final principal payment of \$3,750.00 shall be due and payable.

Interest on the unpaid principal balance of this Bond shall be paid semi-annually at the maximum net effective rate of ten percent (10%) per annum, with the first payment of interest to be made on the first day of January, 1986, and a further payment of interest on the then unpaid principal balance at the stated interest rate on the first day of July, and on the first day of January, of each and every succeeding year thereafter until the full amount of all interest has been paid.

This Bond is issued by the Town of Stratton, Colorado, for the purpose of providing funds to supply water to promote the health, wealth and general welfare of the owners of real property and the residents of the Town as contemplated by C.R.S. 31-15-302, as amended, and which is provided by Ordinance No. 34A which was duly passed and accepted by the Board of Trustees and published as required by law.

This Bond is subject to registration in the name of the holder on the books of the Town Treasurer, such registration to be evidenced by notation of the Town Treasurer on the back hereof.

The Town of Stratton, by its Board of Trustees, shall have the right and privilege to make prepayments of the amount due on any installment payment date, without penalty. All prepayment, other than full redemption shall be credited to the end payments and shall, in no way, reduce the amount of the annual principal payments when due.

Written notice of its election to redeem any or all of said Bond in accordance with its terms shall be given by the Town to the holder of said Bond called for redemption by registered mail at least thirty days prior to the date of redemption. Any part of the bond called for payment and redemption shall cease to bear

interest from and after such date of redemption.

Both principal and interest of said General Obligation Bond shall be payable at the First National Bank of Stratton, Stratton, Colorado. Said bond shall be signed by the Mayor, sealed with the corporate seal, and attested to by the Clerk.

It is hereby certified that this Bond is a general obligation and debt of the Town of Stratton, located in Kit Carson County, Colorado, and does not constitute an indebtedness which requires an election as provided for under the provisions of C.R.S. 32-1-1101(1)-(5) or any amendments thereto and or supplementary statutes.

This Bond, and the authority to establish, execute and deliver the same is contained in and is in accordance with the authority and direction contained in Ordinance No. 34A duly passed and adopted by the Board of Trustees of the Town of Stratton on August 8, 1985.

The Town of Stratton covenants and agrees with the holder of this Bond that the necessary funds sufficient to pay interest and principal on the Bond promptly as the same respectively becomes due shall be levied in the year 1986 and annually thereafter on all taxable property in the Town of Stratton, in addition to all other direct general ad valorem taxes. Taxes, when collected on the amounts so levied, shall be applied solely to the payment of interest and principal on the Bond respectively, and for no other purpose whatsoever, until the indebtedness so contracted under Ordinance No. 34A, principal and interest, shall have been fully paid, satisfied and discharged. Nevertheless, nothing herein contained shall be construed to prevent the Town of Stratton from applying any other funds that may be in the treasury of the Town of Stratton and available for that purpose to the payment of interest or principal as the same respectively mature, and the levies herein provided for may thereupon to that extent be diminished. A fund shall be created in which the taxes collected for payment of interest on and for redemption of this Bond shall be kept. Said fund shall be used only in payment of the principal and interest on and redemption of said Bond. Said fund shall be called "Bond Redemption Fund." From the proceeds of this bond issue, the Town of Stratton shall deposit forthwith in the Bond Redemption Fund an amount equal to the next semi-annual interest payment plus the next annual principal payment and shall at all times maintain in that fund a balance of not less than the next semi-annual interest payment together with the next annual principal payment.

IN WITNESS WHEREOF, the Town of Stratton, Kit Carson County, Colorado, has executed this General Obligation Bond by causing it to be signed by the Mayor, attested by the Clerk, and has affixed

its Seal hereto this 8th day of August, 1985.

TOWN OF STRATTON, COLORADO

By *E. J. [Signature]*
Mayor

ATTEST:

Jackie L. Garrett
Town Clerk

CERTIFICATE OF DELIVERY

I, the undersigned, Treasurer of the Town of Stratton, Colorado, do hereby certify that the above and foregoing Bond of the Town of Stratton, was delivered to The First National Bank of Stratton, Colorado, whose address is 141 Colorado Ave., Stratton, Colorado 80836, the registered holder hereof, on receipt of the sum of Seventy-five Thousand Dollars (\$75,000.00), on the date of this certificate.

Witness my hand and seal of the Town of Stratton, Colorado this 20th day of September, 1985.

Jackie L. Garrett
Treasurer of the Town of Stratton,
Kit Carson County, Colorado

(SEAL)

(End of Bond Form)

3. As soon as may be after this ordinance becomes effective, said Bond shall be executed as herein provided and be deposited with the Town Treasurer, and said Treasurer shall deliver said Bond to the First National Bank of Stratton, the purchaser thereof, upon receipt of the purchase price therefore, the same being not less than par plus accrued interest to date of delivery thereof, and the contract of sale heretofore entered into which said contract of sale be and the same is hereby ratified, confirmed and approved.

4. The officers of the Town of Stratton are authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this ordinance.

5. After said Bond is issued and delivered, this ordinance shall be and shall remain irrevocable until said Bond shall have been fully paid, satisfied and discharged.

6. The municipal bond market and the government bond market are subject to sudden and unpredictable changes, the savings and other advantages afforded to the Town of Stratton by the issue of this Bond described in this ordinance, could be drastically reduced or eliminated, to the detriment of the Town of Stratton and its inhabitants, therefore, it is hereby declared that an emergency exists, and that this ordinance is necessary for the immediate preservation or protection of the public health property or safety, and that this ordinance shall become effective five (5) days after the date of its publication, and shall be numbered and recorded in the Ordinance Record, authenticated by the signatures of the Mayor and Town Clerk, and shall be published in the Stratton Spotlight, a newspaper published within the Town, such publication shall also be authenticated by the signatures of the Mayor and the Town Clerk.

Introduced, read and passed as an emergency measure on this reading, this 8th day of August, 1985.

TOWN OF STRATTON
BOARD OF TRUSTEES

BY *[Signature]*
Mayor

ATTEST:

Jackie L. Garrett
Town Clerk

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF KIT CARSON

TOWN OF STRATTON

GENERAL OBLIGATION WATER BOND

August 8, 1985

Know all men by these presents that the Town of Stratton, Colorado, a duly organized and existing municipal corporation, for value received, does hereby promise and agree to pay to the registered holder hereof, the sum of

SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00)

together with the maximum net effective interest thereon at the annual rate of ten percent (10%) from the date of the payment for and after delivery of this Bond, as evidenced by the certificate of delivery of the Treasurer of the Town of Stratton, the same appearing at the end of this Bond.

The principal sum of Seventy-five Thousand Dollars (\$75,000.00) shall be repaid to the registered holder of this Bond as hereinafter provided in twenty (20) annual installments of \$3,750.00 each, commencing on the first day of July, 1986, and a like payment of \$3,750.00 on the first day of July of each and every succeeding year thereafter until July 1, 2005, on which date a final principal payment of \$3,750.00 shall be due and payable.

Interest on the unpaid principal balance of this Bond shall be paid semi-annually at the maximum net effective rate of ten percent (10%) per annum, with the first payment of interest to be made on the first day of January, 1986, and a further payment of interest on the then unpaid principal balance at the stated interest rate on the first day of July, and on the first day of January, of each and every succeeding year thereafter until the full amount of all interest has been paid.

This Bond is issued by the Town of Stratton, Colorado, for the purpose of providing funds to supply water to promote the health, wealth and general welfare of the owners of real property and the residents of the Town as contemplated by C.R.S. 31-15-302, as amended, and which is provided by Ordinance No. 34A which was duly passed and accepted by the Board of Trustees and published as required by law.

This Bond is subject to registration in the name of the holder on the books of the Town Treasurer, such registration to be evidenced by notation of the Town Treasurer on the back hereof.

The Town of Stratton, by its Board of Trustees, shall have the right and privilege to make prepayments of the amount due on any installment payment date, without penalty. All prepayment, other than full redemption shall be credited to the end payments and shall, in no way, reduce the amount of the annual principal payments when due.

Written notice of its election to redeem any or all of said Bond in accordance with its terms shall be given by the Town to the holder of said Bond called for redemption by registered mail at least thirty days prior to the date of redemption. Any part of the Bond called for payment and redemption shall cease to bear interest from and after such date of redemption.

Both principal and interest of said General Obligation Bond shall be payable at the First National Bank of Stratton, Stratton, Colorado. Said Bond shall be signed by the Mayor, sealed with the corporate seal, and attested to by the Clerk.

It is hereby certified that this Bond is a general obligation and debt of the Town of Stratton, located in Kit Carson County, Colorado, and does not constitute an indebtedness which requires an election as provided for under the provisions of C.R.S. 32-1-1101(1)-(5) or any amendments thereto and or supplementary statutes.

This Bond, and the authority to establish, execute and deliver the same is contained in and is in accordance with the authority and direction contained in Ordinance No. 34A duly passed and adopted by the Board of Trustees of the Town of Stratton on August 8, 1985.

The Town of Stratton covenants and agrees with the holder of this Bond that the necessary funds sufficient to pay interest and principal on the Bond promptly as the same respectively becomes due shall be levied in the year 1986 and annually thereafter on all taxable property in the Town of Stratton, in addition to all other direct general ad valorem taxes. Taxes, when collected on the amounts so levied, shall be applied solely to the payment of interest and principal on the Bond respectively, and for no other purpose whatsoever, until the indebtedness so contracted under Ordinance No. 34A, principal and interest, shall have been fully paid, satisfied and discharged. Nevertheless, nothing herein contained shall be construed to prevent the Town of Stratton from applying any other funds that may be in the treasury of the Town of Stratton and available for that purpose to the payment of interest or principal as the same respectively mature, and the levies herein provided for may thereupon to that extent be diminished. A fund shall be created in which the taxes collected for payment of interest on and for redemption of this Bond shall be kept. Said fund shall be used only in payment of the principal and interest on and redemption of said Bond. Said fund shall be called "Bond Redemption Fund." From the proceeds of this bond issue, the Town of Stratton shall deposit forthwith in

the Bond Redemption Fund an amount equal to the next semi-annual interest payment plus the next annual principal payment and shall at all times maintain in that fund a balance of not less than the next semi-annual interest payment together with the next annual principal payment.

IN WITNESS WHEREOF, the Town of Stratton, Kit Carson County, Colorado, has executed this General Obligation Bond by causing it to be signed by the Mayor, attested by the Clerk, and has affixed its Seal hereto this 8th day of August, 1985.

TOWN OF STRATTON, COLORADO

By *E. Szabo*
Mayor

ATTEST:

Jackie L. Garrett
Town Clerk

CERTIFICATE OF DELIVERY

I, the undersigned, Treasurer of the Town of Stratton, Colorado, do hereby certify that the above and foregoing Bond of the Town of Stratton, was delivered to The First National Bank of Stratton, Colorado, whose address is 141 Colorado Ave., Stratton, Colorado 80836, the registered holder hereof, on receipt of the sum of Seventy-five Thousand Dollars (\$75,000.00), on the date of this certificate.

Witness my hand and seal of the Town of Stratton, Colorado this 20th day of September, 1985.

Jackie L. Garrett
Treasurer of the Town of Stratton,
Kit Carson County, Colorado

(SEAL)

TOWN OF STRATTON, COLORADO
 GENERAL OBLIGATION WATER BOND
 AUGUST 8, 1985

REPAYMENT SCHEDULE

Date	Principal	Interest	Payment	Balance
1/1/86	0	2,979.45	2,979.45	75,000.00
7/1/86	3,750.00	3,750.00	7,500.00	71,250.00
1/1/87	0	3,562.50	3,562.50	71,250.00
7/1/87	3,750.00	3,562.50	7,312.50	67,500.00
1/1/88	0	3,375.00	3,375.00	67,500.00
7/1/88	3,750.00	3,375.00	7,125.00	63,750.00
1/1/89	0	3,187.50	3,187.50	63,750.00
7/1/89	3,750.00	3,187.50	6,937.50	60,000.00
1/1/90	0	3,000.00	3,000.00	60,000.00
7/1/90	3,750.00	3,000.00	6,750.00	56,250.00
1/1/91	0	2,812.50	2,812.50	56,250.00
7/1/91	3,750.00	2,812.50	6,562.50	52,500.00
1/1/92	0	2,625.00	2,625.00	52,500.00
7/1/92	3,750.00	2,625.00	6,375.00	48,750.00
1/1/93	0	2,437.50	2,437.50	48,750.00
7/1/93	3,750.00	2,437.50	6,187.50	45,000.00
1/1/94	0	2,250.00	2,250.00	45,000.00
7/1/94	3,750.00	2,250.00	6,000.00	41,250.00
1/1/95	0	2,062.50	2,062.50	41,250.00
7/1/95	3,750.00	2,062.50	5,812.50	37,500.00
1/1/96	0	1,875.00	1,875.00	37,500.00
7/1/96	3,750.00	1,875.00	5,625.00	33,750.00
1/1/97	0	1,687.50	1,687.50	33,750.00
7/1/97	3,750.00	1,687.50	5,437.50	30,000.00
1/1/98	0	1,500.00	1,500.00	30,000.00
7/1/98	3,750.00	1,500.00	5,250.00	26,250.00
1/1/99	0	1,312.50	1,312.50	26,250.00
7/1/99	3,750.00	1,312.50	5,062.50	22,500.00
1/1/00	0	1,125.00	1,125.00	22,500.00
7/1/00	3,750.00	1,125.00	4,875.00	18,750.00
1/1/01	0	937.50	937.50	18,750.00
7/1/01	3,750.00	937.50	4,687.50	15,000.00
1/1/02	0	750.00	750.00	15,000.00
7/1/02	3,750.00	750.00	4,500.00	11,250.00
1/1/03	0	562.50	562.50	11,250.00
7/1/03	3,750.00	562.50	4,312.50	7,500.00
1/1/04	0	375.00	375.00	7,500.00
7/1/04	3,750.00	375.00	4,125.00	3,750.00
1/1/05	0	187.50	187.50	3,750.00
7/1/05	3,750.00	187.50	3,937.50	0.00
TOTAL	75,000.00	77,979.45	152,979.45	0

STRATTON BOND

Advance \$75,000.00

Bond Redemption

Reserve Account:

Estimated Interest from Sept. 26, 1985 to Jan. 1, 1986 \$7,500.00

Bond Reserve at Jan. 1, 1986 shall be equal to a minimum of: \$7,500.00

Reserve Bond Fund @ July 1, 1986 shall be equal to a minimum of: \$7,312.50

Reserve Bond Fund @ July 1, 1987 shall be equal to a minimum of: \$7,125.00

Reserve Bond Fund @ July 1, 1988 shall be equal to a minimum of: \$6,937.50

Reserve Bond Fund @ July 1, 1989 shall be equal to a minimum of: \$6,750.00

Reserve Bond Fund @ July 1, 1990 shall be equal to a minimum of: \$6,562.50

Reserve Bond Fund @ July 1, 1991 shall be equal to a minimum of: \$6,375.00

Reserve Bond Fund @ July 1, 1992 shall be equal to a minimum of: \$6,187.50

Reserve Bond Fund @ July 1, 1993 shall be equal to a minimum of: \$6,000.00

Reserve Bond Fund @ July 1, 1994 shall be equal to a minimum of: \$5,812.50

Reserve Bond Fund @ July 1, 1995 shall be equal to a minimum of: \$5,625.00