

TOWN OF LA JARA, COLORADO

RESOLUTION NO. 1993-1

PRELIMINARY RESOLUTION AUTHORIZING PARTICIPATION BY THE TOWN IN THE ACQUISITION, BY AND THROUGH AN ENTERPRISE, AND FINANCING OF PART OR ALL OF CERTAIN TELECOMMUNICATIONS SYSTEMS IN COLORADO FOR THE PURPOSE OF PROVIDING THE CITIZENS OF THE TOWN WITH MODERN TELECOMMUNICATIONS SERVICES AS A PUBLIC PROJECT AND PROVIDING FOR REIMBURSEMENT OF TOWN MONEYS UPON ENTERING INTO THE FINANCING ARRANGEMENTS OF SUCH PROGRAM

WHEREAS, certain privately owned telecommunications systems in the State of Colorado are currently available for purchase; and

WHEREAS, a consortium of professional companies consisting of Sutro & Co., Inc., Kirkpatrick, Pettis, Smith, Polian, Inc., Network System Solutions, Inc. and Becker Stowe Bowels & Lynch P.C. operating under the name of Colorado Telecommunications Group (the "Bidding Group"), has been structuring a bid for the acquisition of all or part of the available telecommunications systems (the "Program") by an enterprise to be known as "Colorado Telecommunications Authority, Inc.", "a nonprofit corporation (the "Authority") to be formed under the laws of the State of Colorado (the "State"); and

WHEREAS, it is intended that the Authority will be an "enterprise" under the Constitution and laws of the State of which Colorado local governments may become members, by executing an intergovernmental agreement (the "Intergovernmental Agreement") for the purpose or providing modern telecommunications services to their respective citizens; and

WHEREAS, for the purpose of assisting in the implementation of the Program, the Bidding Group has requested that the Town indicate its interest therein and support for the proposed bid by the Bidding Group by the passage of this Resolution and the execution of the Bidding Group's engagement agreement in mutually satisfactory form; and

WHEREAS, the Board of Trustees (the "Board") of the Town of La Jara, Colorado (the "Town") has determined and declares that it is in the best interest of the Town that the Program be supported; and

WHEREAS, The Board desires to participate in the Program and wishes to evidence such interest by the adoption of this Resolution;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA, COLORADO AS FOLLOWS:

Section 1. Authority to Participate and Finance the Project. The Board hereby authorizes the processing of a bid for the telecommunications systems, to be finally determined by the Bidding Group (the "Project"). This Resolution expresses the Town's expectations as of the date hereof that the financing of the Project will be on a tax-exempt basis. Future events or extraordinary circumstances beyond the control of the Town may result in the Project being financed in a manner other than as described herein, and nothing contained herein constitutes an irrevocable commitment by the Town to participate in the Program.

Section 2. General Description of Property; Maximum Anticipated Financing. The Town intends to assist in the financing of the acquisition and construction of certain telecommunications systems to be more specifically described in the future. Representatives of the Bidding Group have represented to the Town that it should experience no expense in the process of submitting a bid. Nevertheless, in the event the Town incurs any expense, it expects to be reimbursed with the proceeds to be derived from the execution and delivery by the Authority an Indenture of Trust (the "Indenture") to be entered into with an eligible trustee.

Section 3. Declaration of Official Intent. This Resolution is intended to be a declaration of "official intent" within the meaning of Income Tax Regulation Section 1.103-18.

Section 4. Public Availability of Resolution. Within thirty (30) days after the date of this Resolution and continuing on every business day to and including the date of the Town's entering into the Intergovernmental Agreement, this Resolution shall be reasonably available for inspection by the general public at the main administrative office of the Town, or at the customary location of records of the Town that are available to the general public, during normal business hours of the Town.

Section 5. Invalid, etc. Provisions Disregarded. If any provision of this Resolution shall be judicially determined to be invalid or unenforceable, such determination shall not affect the remaining provisions hereof, the intention being that the provisions hereof are severable.

Section 6. Action of Town Officials. The appropriate officials of the Town are authorized to proceed with the completion and processing of an application to participate in the Program.

Section 7. Effective Date. This Resolution shall be in full force and effect upon its passage.

RESOLVED, ADOPTED AND APPROVED this 26th day of May, 1993.

THE BOARD OF TRUSTEES OF THE
TOWN OF LA JARA

By: Atilano S. Mondragon
Atilano S. Mondragon, Mayor

ATTEST:

Helen J. Hutchins
Helen J. Hutchins,
La Jara Town Clerk

(MUNICIPAL SEAL)