

RESOLUTION NO. WE-2005-1

A RESOLUTION OF THE TOWN OF LA JARA, COLORADO, WATER ACTIVITY ENTERPRISE APPROVING A LOAN BETWEEN THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY AND THE TOWN OF LA JARA, COLORADO, ACTING BY AND THROUGH ITS TOWN OF LA JARA, COLORADO, WATER ACTIVITY ENTERPRISE IN THE PRINCIPAL AMOUNT OF \$200,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE TOWN OF LA JARA WATER SYSTEM; AUTHORIZING THE FORM AND EXECUTION OF A LOAN AGREEMENT AND A GOVERNMENTAL AGENCY BOND EVIDENCING THE LOAN; PROVIDING THAT THE GOVERNMENTAL AGENCY BOND SHALL BE PAYABLE ONLY FROM REVENUES OF THE TOWN OF LA JARA, COLORADO, WATER ACTIVITY ENTERPRISE; AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Town of La Jara, Colorado, Water Activity Enterprise (the "Enterprise") is a duly created water activity enterprise existing under the provisions of Title 37, Article 45.1, Colorado Revised Statutes ("Water Activity Law"); and

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

WHEREAS, the Enterprise is a government owned business authorized to issue its own revenue bonds and receiving under ten percent (10%) of annual revenue and 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 to acquire and develop certain properties and facilities for the collection, treatment, transmission, and disposition of water (the "Project"), said Project to be operated and maintained as part of the water utility system of the Town and the Enterprise (the "System"); and

WHEREAS, the Town is authorized by Title 37, Article 45.1, C.R.S., and Article X, Section 20 of the Colorado Constitution to issue revenues 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 to 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 to 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 interest 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 RESOLVED BY THE GOVERNING BODY OF THE TOWN OF LA JARA, COLORADO, WATER ACTIVITY ENTERPRISE:

Section 1. Approval of Loan Agreement. That Loan Agreement between the Colorado Water Resources and Power Development Authority and the Town of La Jara acting by and through its Town of La Jara, Colorado, Water Activity Enterprise and evidencing a loan from the Colorado Water Resources and Power Development Authority to the Town of La Jara, Colorado, acting by and through its Town of La Jara, Colorado, Water Activity Enterprise is hereby approved.

Section 2. Authorization of Bond. In accordance with the Constitution and laws of the State of Colorado and pursuant to the Loan Agreement, there shall be issued the Town's "Governmental Agency Bond", in the aggregate principal amount of \$200,000.00, for the purpose of paying the costs of the Project (the "Project Costs"). The accomplishment of the project is hereby authorized, approved, and ordered.

Section 3. 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 payment of the principal and/or interest on the Bond, except the funds in accounts pledged thereto by this Resolution and the Loan Agreement, 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 4. Bond Details. The Bond shall be in the principal amount of \$200,000.00, 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 5. Form and Execution of the Bond. The Bond shall be executed with a 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 appear on the Bond cease to be such officer before delivery of the Bond to a purchase, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

Section 6. 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 7. 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 Resolution, 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 8. Authorized Officer. Austin Valdez, Mayor of the Town of La Jara, or his successor, and Janice Coombs, Town Clerk, are hereby authorized to act as the "Authorized Officer" under the Loan Agreement (as such term is therein defined), and to furnish his and her name to the Authority in accordance with the Loan Agreement.

Section 9. 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.

Section 10. 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 Resolution, relating to the authorization, sale, issuance, and delivery of the Bond are hereby ratified, approved, and confirmed.

Section 11. Resolution Irrepealable. After the Bond has been issued, this Resolution shall constitute a contract between the Owner and the Enterprise, 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 12. Repealer. All orders, bylaws, resolutions of the Enterprise, or parts thereof inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

Section 13. Severability. If any section, paragraph, clause, or provision of this Resolution 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 Resolution, the intent being that the same are severable.

Section 14. Recording and Authentication. Upon adoption hereof, this Resolution 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 15. Effective Date. This Resolution shall take effect immediately upon adoption.

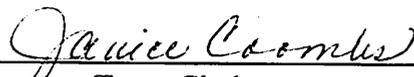
INTRODUCED, READ AND PASSED AS A RESOLUTION at a regular meeting of the Board of Trustees acting as the governing body of the Town of La Jara, Colorado, Water Activity Enterprise on the 14th day of April, 2005.

(SEAL)



Mayor

ATTESTED:



Town Clerk

It was thereupon moved by Trustee Dick Davidson and seconded by Trustee Gloria Valdez that the foregoing Resolution, introduced at this meeting as aforesaid, be passed and adopted.

The question 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 Board of Trustees present having voted in favor of said motion, the presiding officer thereupon declared the motion carried and that the Resolution was passed and adopted.

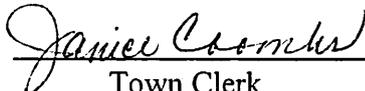
Thereupon, after consideration of other business to come before the Board, the meeting was adjourned.

(SEAL)



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 1 to 6, inclusive, constitute a full and correct copy of the record of the proceedings of the Board of Trustees of the Town acting as the governing body of the Town of La Jara, Colorado, Water Activity Enterprise, 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 a Resolution concerning the approving a loan between the Colorado Water Resources and Power Development Authority and the Town of La Jara, Colorado, acting by and through its Town of La Jara, Colorado, Water Activity Enterprise for the purpose of financing improvements to the Town of La Jara water system; that said Resolution 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 Resolution recorded in the Book kept for that purpose in my office.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Town, this ~~70th~~ day of April, 2005.

(SEAL)

Janice Coombs
Town Clerk

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

The Board of Trustees of the Town of La Jara, Colorado, met in regular session in full conformity with law and the ordinances and rules of the Town, at 221 Broadway, in La Jara, Colorado, on Thursday, the 14th day of April, 2005, at 7:00 p.m.

Upon roll call the following were present, constituting a quorum:

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

Also present: Town Attorney, Ray Valdez; Building Inspecontr, Joseph Trottnner;
Police Chief, Richard Pena

Town Clerk: Janice Coombs

Absent: Arthur "Tom" Rendon



Thereupon Trustee Dick Davidson introduced, and there was read in full, the following Resolution: