

ORDINANCE NO. 521

AN ORDINANCE TO CONTRACT AN INDEBTEDNESS ON BEHALF OF THE TOWN OF BERTHOUD, COLORADO, AND UPON THE CREDIT THEREOF BY ISSUING GENERAL OBLIGATION WATER BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF \$1,135,000 FOR THE PURPOSE OF PAYING THE PRINCIPAL OF BOND ANTICIPATION NOTES OF THE TOWN, THE PROCEEDS OF WHICH WERE USED TO EXTEND AND IMPROVE THE EXISTING WATER SYSTEM OF THE TOWN; PRESCRIBING THE FORM OF SAID BONDS; AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME.

WHEREAS, the Town owns and operates a municipal water system for the Town and its inhabitants; and

WHEREAS, it is necessary to extend and improve the waterworks system in order to supply the Town and the inhabitants thereof with a proper and adequate supply of water (the "Project"); and

WHEREAS, the Town has heretofore issued its General Obligation Water Bond Anticipation Notes (the "Notes"), dated October 1, 1981 in the principal amount of \$1,135,000, in anticipation of a Farmers Home Administration loan, to pay the costs of the construction of the Project; and

WHEREAS, the Board of Trustees hereby determines that it is in the best interest of the Town, and the inhabitants thereof, that all of the Notes described above be paid and that Bonds be issued in the principal sum of \$1,135,000 for such purpose; and

WHEREAS, the Board of Trustees has entered into a loan agreement with the United States Department of Agriculture, Farmers Home Administration, (the "FmHA") whereby the FmHA will purchase the General Obligation Water Bonds in the principal amount of \$1,135,000, at an interest rate of 5% per annum; and

WHEREAS, it is necessary to authorize the issuance of said Bonds and to provide for the form and payment thereof;

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF BERTHOUD, LARIMER COUNTY, COLORADO:

Section 1. Bond Details. That for the purpose of paying the principal of and interest on outstanding Notes of the Town, the Town shall issue general obligation negotiable coupon bonds in the principal amount of \$1,135,000, each to be designated "General Obligation Water Bond, Series 1982". The Bonds shall be dated as of the date of the issuance and delivery of the Bonds, shall consist of 1,135 bonds in the denomination of \$1,000 each, numbered 1 to 1,135, inclusive, payable in lawful money of the United States of America. The net effective interest rate of this issue of Bonds is 5.00%. Said Bonds shall bear interest at the rate of 5% per annum, payable on September 1, 1983 and annually thereafter on the 1st day of September each year and shall mature serially on September 1, as follows:

| <u>Maturity</u> | <u>Amount</u> | <u>Maturity</u> | <u>Amount</u> |
|-----------------|---------------|-----------------|---------------|
| 1983 and 1984   | \$ 10,000     | 2005            | \$ 29,000     |
| 1985 and 1986   | 11,000        | 2006            | 31,000        |
| 1987            | 12,000        | 2007            | 32,000        |
| 1988 and 1989   | 13,000        | 2008            | 34,000        |
| 1990            | 14,000        | 2009            | 35,000        |
| 1991 and 1992   | 15,000        | 2010            | 37,000        |
| 1993            | 16,000        | 2011            | 39,000        |
| 1994            | 17,000        | 2012            | 41,000        |
| 1995            | 18,000        | 2013            | 43,000        |
| 1996            | 19,000        | 2014            | 45,000        |
| 1997            | 20,000        | 2015            | 47,000        |
| 1998            | 21,000        | 2016            | 50,000        |
| 1999            | 22,000        | 2017            | 52,000        |
| 2000            | 23,000        | 2018            | 55,000        |
| 2001            | 24,000        | 2019            | 58,000        |
| 2002            | 25,000        | 2020            | 60,000        |
| 2003            | 26,000        | 2021            | 64,000        |
| 2004            | 28,000        |                 |               |

Bonds of this issue maturing on or before September 1, 1992 shall not be redeemable prior to their respective maturity dates. Bonds maturing on September 1, 1993 and thereafter, shall be redeemable at the option of the Town on September 1, 1992 and on any interest payment date thereafter, in inverse numerical order, upon payment of par and accrued interest, without redemption premium. If, however, all of the Bonds are held by the Farmers Home Administration, all or any number of the Bonds may be

redeemed at the option of the Town at any time in inverse numerical order, upon payment of par and accrued interest to the date of redemption, without redemption premium. Notice of prior redemption shall be given by publication at least one time in a newspaper having general circulation in the Town, not less than thirty (30) days prior to the date of redemption. If any of the Bonds to be redeemed are registered as to principal and interest, then notice shall also be given by mailing a copy of the notice by registered, first class mail, to the registered owner or owners of such Bonds, at least thirty days prior to the date of redemption.

The principal of and interest on said bonds shall be payable at the office of the Town Treasurer, in Berthoud, Colorado, or as to any bond or interest coupon owned by the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as may be indicated by the Farmers Home Administration.

Section 2. Registration as to Principal and Interest. Each of the Bonds of this issue may be registered for payment as to both principal and interest (but not as to principal only or to interest only) and any bond so registered may be discharged from registration as hereafter provided in this Ordinance. At the option of the bearer, any Bond of this issue may be registered as to both principal and interest upon presenting the same to the Treasurer of the Town, (designated as and referred to herein as the Registrar for purposes of registration) accompanied by all unmatured coupons. The Registrar shall make a notation of such registration thereon and detach and cancel all unmatured interest coupons. Any Bonds so registered may thereafter be transferred only upon a duly executed assignment of the registered owner or his legal representative in such form as shall be satisfactory to the Registrar. Such transfer shall be made on the registration books kept by the Registrar and shall be endorsed on the Bond. The principal of and interest on any bond registered as to both

principal and interest shall be payable only to, or upon the order of, the registered owner or his legal representative.

Section 3. Conversion of Registered Bonds. Any Bond registered as to both principal and interest may be reconverted into a coupon bond payable to bearer upon presentation thereof to the Registrar accompanied by an instrument duly executed by the registered owner or his legal representative, in such form as is acceptable to the Registrar. The Registrar shall attach thereto new coupons representing the interest to become due thereafter on the bond to the date of maturity and shall make notation thereon that the bond is payable to bearer. Such new coupons shall bear the facsimile signature of the officer signing the coupons as herein provided at the time of the execution of the Bond, i.e., the Treasurer of the Town. Upon reconverting the Bonds in accordance with this Ordinance, the Registrar shall require the payment of all expenses incurred by it in connection with such reconversion, payment of which together with any tax or other governmental charge required to be paid, shall be made by the holder requesting such reconversion.

Section 4. Form and Execution of Bonds. Said Bonds shall be signed by the facsimile signature of the Mayor of the Town, sealed with a facsimile of the seal of the Town, attested and countersigned with the manual signature of the Town Clerk and Treasurer, and the interest coupons attached thereto shall bear the facsimile signature of the Town Treasurer. When issued as aforesaid as part of said Bonds, such interest coupons shall be the binding obligations of the Town according to their import. Should any officer whose manual or facsimile signature appears on said Bonds, or the interest coupons attached thereto, cease to be such officer before delivery of the bonds to the purchaser, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

Said Bonds, interest coupons and registration grid shall be in substantially the following form:

(Form of Bond)  
UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF LARIMER

TOWN OF BERTHOUD  
GENERAL OBLIGATION WATER BOND, SERIES 1982

No. \_\_\_\_\_ \$1,000

The Town of Berthoud, in the County of Larimer and State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the bearer hereof, or if this Bond be registered, then to the registered owner hereof, the principal sum of

ONE THOUSAND DOLLARS

on the 1st day of September, 19\_\_\_\_, with interest thereon at the rate of five per centum (5%) per annum, payable on September 1, 1983 and annually thereafter on the 1st day of September each year, as evidenced by interest coupons attached hereto, upon presentation and surrender of the annexed coupons and this Bond as they severally become due, or if this Bond be registered, then to the registered owner hereof, both principal and interest being payable in lawful money of the United States of America, at the office of the Town Treasurer, in Berthoud, Colorado, or as to any bond or coupon owned by the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, in St. Louis, Missouri.

Bonds of this issue maturing on or before September 1, 1992, shall not be redeemable prior to their respective maturity dates. Bonds maturing on September 1, 1993 and thereafter, are redeemable in inverse numerical order, at the option of the Town, on September 1, 1992, and on any interest payment dates thereafter, upon payment of par and accrued interest, without redemption premium. If, however, all of the Bonds are held by the Farmers Home Administration, then all or any number of the bonds may be redeemed at the option of the Town at any time in inverse numerical order, upon payment of par and accrued interest to the date of redemption, without redemption premium.

This Bond is issued by the Board of Trustees of the Town of Berthoud, Colorado, for the purpose of paying the principal of valid and outstanding Bond Anticipation Notes of the Town under the authority of and in full conformity with the Constitution and Laws of the State of Colorado, and pursuant to an Ordinance of the Town duly adopted, published and made a law of the Town prior to the issuance of this Bond.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the Town in the issuance of this Bond; that the total debt of the Town, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or Laws of the State of Colorado; and that provision has been made for the levy and collection of a general ad valorem tax on all the taxable property in said Town, sufficient, together with other funds available therefor, to pay the interest on and the principal of this Bond when the same become due and payable.

The full faith and credit of the Town of Berthoud, Colorado, are hereby pledged for the punctual payment of the principal of and the interest on this Bond.

This Bond may be registered in the name of the holder thereof in conformity with the provisions endorsed hereon and subject to the terms and conditions set forth in the Ordinance authorizing its issuance, and unless so registered, this Bond shall be transferable by delivery. This Bond may be registered as to both principal and interest, but not as to principal only or to interest only; and if this Bond be registered as to both principal and interest, it may be reconverted into a coupon bond in accordance with the provisions endorsed hereon and subject to the provisions set forth in said Ordinance.

IN TESTIMONY WHEREOF, the Board of Trustees of the Town of Berthoud, Colorado, has caused this Bond to be signed by the facsimile signature of the Mayor, sealed with a facsimile of the seal of the Town, attested with the manual signature of the Town

Clerk and countersigned with the facsimile signature of the City Treasurer, and the attached coupons to be signed with the facsimile signature of the Town Treasurer, as of the \_\_\_\_\_ day of \_\_\_\_\_, 1982.

(FACSIMILE  
S E A L )

TOWN OF BERTHOUD, COLORADO

By *Richard Shadrack*  
(Facsimile Signature)

Mayor

ATTEST:

*Prabellie Sunker*  
(Manual Signature)  
Town Clerk

COUNTERSIGN:

*Clay Thompson*  
(Facsimile Signature)  
Town Treasurer

(Form of Registration Panel on Back of Bond)

PROVISION FOR REGISTRATION AND RECONVERSION

This bond may be registered as to both principal and interest, but not as to principal alone nor as to interest alone, on the books of the Town of Berthoud, Colorado, kept by the Treasurer of the Town as Registrar, upon presentation hereof to the Registrar, who shall detach and cancel all unmatured coupons and shall make notation of such registration as to both principal and interest on the registration blank below. After registration this bond may be transferred only upon a duly executed assignment of the registered owner or his legal representative in such form as shall be satisfactory to the Registrar, such transfer to be made on said book and endorsed hereon by the Registrar. The principal of and interest on this Bond, if registered, shall be payable only to, or upon the order of, the registered owner or his legal representative.

This Bond, if converted into a bond registered as to both principal and interest, may be reconverted, at the expense of the registered owner, into a coupon bond, upon presentation hereof to the Registrar, accompanied by an instrument duly executed by the registered owner, or his legal representative, in such form as shall be satisfactory to the Registrar, who shall attach hereto new coupons representing the interest to become due thereafter on this Bond to the date of maturity, and shall make notation in the registration blank below that this Bond is payable to bearer. Such coupon bond may again be registered as to both principal and interest as hereinabove provided.

Any registration, transfer, or discharge from registration is subject to such reasonable rules and regulations as the authorizing ordinance, the Board of Trustees or the Registrar may prescribe and upon payment of a charge sufficient to reimburse the Town and the Registrar for any tax or other governmental charge to be paid by them in connection therewith. Except as otherwise provided in the authorizing Ordinance, no charge shall

be made to the holder hereof for the privilege of registration, transfer or discharge from registration. Every privilege of registration, transfer or discharge from registration, or conversion hereinabove provided shall be exercised only in accordance with and subject to the terms and provisions of that ordinance.

The registration books shall be closed for a period of fifteen (15) days next preceding any interest payment date or after the first publication of any notice of prior redemption of any bond has been made.

| Date of Registration | Name of Registered Owner                                | Signature of Registrar |
|----------------------|---|------------------------|
|                      | United States of America<br>Farmers Home Administration |                        |
|                      |   |                        |
|                      |   |                        |
|                      |   |                        |

(End of Form of Registration Panel on Back of Bond)

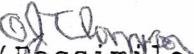
(Form of Interest Coupon)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the 1st day of September, 19\_\_\_\_, unless the Bond to which this coupon is attached, if redeemable, has been called for prior redemption, the Town of Berthoud, in the County of Larimer and State of Colorado, will pay to bearer the amount shown hereon, in lawful money of the United States of America, at the office of the Town Treasurer, in Berthoud, Colorado, or as to any bond or coupon owned by the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, in St. Louis, Missouri, being interest then due on its General Obligation Water Bond, Series 1982, bearing

No. \_\_\_\_\_

  
(Facsimile Signature)

Town Treasurer

Section 5. Issuance of Single Bond. Notwithstanding the provisions of this Ordinance relating to the issuance of serial bonds, the amounts of any loan from the FmHA shall be evidenced by a single bond as hereinafter set forth.

Such single bond shall be numbered R-1 and shall mature in installments of principal, substantially as provided in Section 2 hereof. The interest on said Bond shall begin to accrue from the date of the issuance and delivery of the bond, and will not be evidenced by any interest coupons.

The principal of and interest on said Bond shall be payable to the registered holder of said Bond at the address shown on the registration books of the Town.

The single Bond shall be registered as to principal and interest in the same manner and subject to the same terms and conditions as provided herein for the registration of serial bonds.

The single Bond shall be signed by the manual signature of the Mayor, sealed with an impression of the seal of the Town, and attested by the manual signature of the Town Clerk and countersigned by the manual signature of the Town Treasurer.

At the request of the holder and owner of the single bond, the Town may issue negotiable coupon bonds or serial registered bonds without coupons, in exchange for and upon surrender of the single bond, in the denomination of \$1,000 each, in the aggregate principal amount equal to the amount of the unpaid principal of the outstanding single Bond, such bonds to be in the form provided by Section 4 of this Ordinance. The cost and expense of conversion to such serial bonds shall be paid by the holder and owner of the single Bond.

Section 6. Form of Single Bond. The form of the single Bond shall be as follows:

(Form of Bond)  
UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF LARIMER

TOWN OF BERTHOUD  
GENERAL OBLIGATION WATER BOND, SERIES 1982

No. \_\_\_\_\_ \$1,135,000

The Town of Berthoud, in the County of Larimer and State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner hereof, the principal sum of

ONE MILLION ONE HUNDRED THIRTY FIVE THOUSAND DOLLARS (\$1,135,000)

on September 1 in the years and installments as follows:

| Year          | Principal<br>Installments | Year | Principal<br>Installments |
|---------------|---------------------------|------|---------------------------|
| 1983 and 1984 | \$ 10,000                 | 2005 | \$ 29,000                 |
| 1985 and 1986 | 11,000                    | 2006 | 31,000                    |
| 1987          | 12,000                    | 2007 | 32,000                    |
| 1988 and 1989 | 13,000                    | 2008 | 34,000                    |
| 1990          | 14,000                    | 2009 | 35,000                    |
| 1991 and 1992 | 15,000                    | 2010 | 37,000                    |
| 1993          | 16,000                    | 2011 | 39,000                    |
| 1994          | 17,000                    | 2012 | 41,000                    |
| 1995          | 18,000                    | 2013 | 43,000                    |
| 1996          | 19,000                    | 2014 | 45,000                    |
| 1997          | 20,000                    | 2015 | 47,000                    |
| 1998          | 21,000                    | 2016 | 50,000                    |
| 1999          | 22,000                    | 2017 | 52,000                    |
| 2000          | 23,000                    | 2018 | 55,000                    |
| 2001          | 24,000                    | 2019 | 58,000                    |
| 2002          | 25,000                    | 2020 | 60,000                    |
| 2003          | 26,000                    | 2021 | 64,000                    |
| 2004          | 28,000                    |      |                           |

with interest from the date thereof at the rate of five per centum (5%) per annum, payable on September 1, 1983 and annually thereafter on the 1st day of September each year, until said sum is paid. Both the principal hereof and interest hereon are payable in lawful money of the United States of America, to the registered holder hereof at the address shown on the registration books of the Town. The final installment of principal and interest due on this Bond shall be made only upon presentation and surrender of this Bond to the Town.

Installments of principal of this Bond becoming due on and before September 1, 1992, are not payable prior to their stated due date, unless the Farmers Home Administration is the registered owner hereof. Installments becoming due on September 1, 1993 and thereafter, are subject to prepayment prior to their stated due dates in the amount of \$1,000 or any multiple thereof, at the option of the City, in inverse order of due dates, September 1, 1992, and on any interest payment date thereafter, by the payment of such principal amount and accrued interest, without prepayment premium. If the Farmers Home Administration is the registered owner, all installments are subject to prepayment at any time prior to their stated due date, in the amount of \$1,000 or any multiple thereof, in inverse order of their due date, by the payment of such principal amount and accrued interest to the date of prepayment, without prepayment premium. Notice of prepayment shall be given as provided by the Ordinance authorizing this Bond.

This Bond is issued by the Board of Trustees of the Town of Berthoud, Colorado, for the purpose of paying valid and outstanding Bond Anticipation Notes of the Town, under the authority of and in full conformity with the Constitution and laws of the State of Colorado, and pursuant to an Ordinance of the Town duly adopted, published and made a law of the Town prior to the issuance of this Bond.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the Town in the issuance of this Bond; that the total debt of the Town, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or Laws of the State of Colorado; and that provision has been made for the levy and collection of a general ad valorem tax on all the taxable property in said Town, sufficient, together with other funds available therefor, to pay the interest on and the principal of this Bond when the same become due.

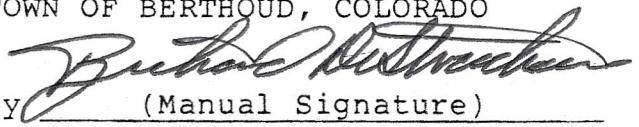
The full faith and credit of the Town of Berthoud, Colorado, are hereby pledged for the punctual payment of the principal of and the interest on this Bond.

This Bond is transferable only upon the books kept by the Treasurer of the Town as Registrar, by the registered owner hereof in person or by his duly authorized attorney, and similarly noted hereon, or it may be surrendered in exchange for new bonds of the same aggregate principal amount, in coupon form or in serial registered form, in the denominations of \$1,000 each, and subject to the conditions provided in said Ordinance.

IN TESTIMONY WHEREOF, the Board of Trustees of the Town of Berthoud, Colorado, has caused this Bond to be signed by the manual signature of the Mayor, sealed with an impression of the seal of the Town, and attested by the manual signature of the Town Clerk and countersigned by the manual signature of the Town Treasurer, as of the \_\_\_\_\_ day of \_\_\_\_\_, 1982.

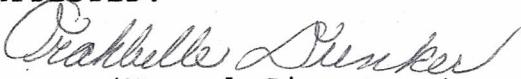
TOWN OF BERTHOUD, COLORADO

( S E A L )

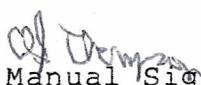
By   
(Manual Signature)

Mayor

ATTESTED:

  
(Manual Signature)  
Town Clerk

COUNTERSIGNED:

  
(Manual Signature)  
Town Treasurer

(Form of Registration Panel)

This bond is registered in the office of the Treasurer of the Town of Berthoud, Colorado, as Registrar, in the name of the owner listed below, and the principal amount of this Bond and interest thereon shall be payable only to such owner, all in accordance with the ordinance authorizing the issuance of this Bond.

|                         |   |                           |
|-------------------------|---|---------------------------|
| Date of<br>Registration | Name of<br>Registered Owner                             | Signature of<br>Registrar |
|                         | United States of America<br>Farmers Home Administration |                           |
|                         |   |                           |
|                         |   |                           |
|                         |   |                           |

Section 7. Disposition of Bond Proceeds. Said Bonds, when executed as provided by law, shall be delivered to the purchaser thereof in accordance with its contract of purchase. The proceeds of the Bonds herein authorized shall be used only for the purpose of paying the principal of, interest on, and redemption premium if any, on the Town's General Obligation Water Bond Anticipation Notes, dated October 1, 1981, and paying the costs of issuance of the Bonds and for no other purpose whatever. The Town shall immediately apply the proceeds of the Bonds to the retirement of the Notes in accordance with the Ordinance authorizing such Notes. Neither the purchaser of the Bonds nor the subsequent holder of any of them shall be responsible for the application or disposal by the Town, or any of its officers, of any of the funds derived from the sale thereof.

All or any appropriate portion of the Bond proceeds may be temporarily invested or reinvested pending such use in securities or obligations which are lawful investments for such municipalities in the State of Colorado. It is hereby covenanted and agreed by the Town that the temporary investments or reinvestment of the Bond proceeds, or any portion thereof, shall be of such nature and extent, and for such period, that the Bonds shall not be or become arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and pertinent regulations, and such proceeds, if so invested or reinvested, shall be subject to the limitations and restrictions of said Section 103(c), and pertinent regulations, as the same now exists or may later be amended.

Section 8. Payment of Principal and Interest. If necessary, the interest to become due on said bond on September 1, 1983 shall be advanced from the water fund or other funds of the Town which are lawfully available therefor. For the purpose of reimbursing said fund, and for paying the interest accruing on the bonds promptly as the same become due, and for providing for the ultimate payment and redemption of the Bonds, there shall be levied on all the taxable property in the Town, in addition to all

other taxes, a general ad valorem tax in each of the years 1982 to 2021, inclusive, sufficient to make such reimbursement and to pay the principal of and interest on the outstanding Bonds as the same become due and payable. Said taxes when collected shall be deposited in a special fund to be known as the "Town of Berthoud Water Bond Fund, 1982," and such Fund shall be applied solely to the purpose of the payment of the interest on and the principal of the Bonds herein authorized and for no other purpose whatever, until the indebtedness so contracted under this Ordinance, both principal and interest, shall have been fully paid, satisfied and discharged. Nothing herein contained shall be so construed as to prevent the Town from applying any other funds or revenues that may be in the Town treasury and available for that purpose, to the payment of the interest or principal, as the same respectively mature, and upon any such payments, the levy or levies herein provided may thereupon be diminished to that extent.

An amount necessary to pay all costs and expenses incidental to the issuance of said bonds and the amounts herein-before provided to pay the interest on said Bonds and to discharge the principal thereof when due, are hereby appropriated for that purpose, and said amount for each year shall be included in the annual budget and the appropriation ordinances to be adopted and passed by the Board of Trustees of the Town in each year, respectively.

It shall be the duty of the Board of Trustees of the Town, annually, at the time and in the manner provided by law for levying other Town 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 Board of Trustees shall levy, certify and collect said taxes in the manner provided by law for the purpose of creating a fund 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 and principal of the bonds as hereinabove specified.

Section 9. Establishment of Rates and Charges for Service. Notwithstanding the foregoing provisions for tax levies, the Town hereby further covenants and agrees to establish, maintain, collect and enforce a schedule of rates, fees, tolls and charges for connection to and use of the waterworks system of the Town, which schedule shall be sufficient to assure that the revenue thereby produced, together with the proceeds of general ad valorem taxes and any other legally available funds, shall pay all reasonable costs and expenses of operating and maintaining the waterworks system and to pay the interest on and principal of the General Obligation Water Bonds, Series 1982, herein authorized, promptly as the same become due and payable, respectively.

Section 10. Defeasance. When all principal and interest in connection with the Bonds hereby authorized 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 Town 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 Federal Securities in which such amount may be initially invested) to meet all requirements of principal and interest 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. The term "Federal Securities" within the meaning of this section shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

Section 11. Repealer. All ordinances, or parts thereof in conflict with this Ordinance are hereby repealed.

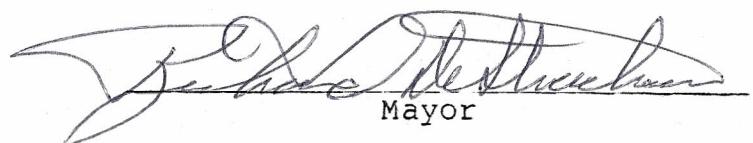
Section 12. Ordinance Irrepealable. After the General Obligation Water Bonds, Series 1982, have been issued, this Ordinance shall be irrepealable until said Bonds and the interest thereon shall be fully paid, satisfied and discharged in the manner herein provided.

Section 13. Severability. That if any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 14. Recording and Authentication. This Ordinance shall be recorded in a book kept for that purpose, shall be authenticated by the signatures of the Mayor and Town Clerk, and shall be published in accordance with law.

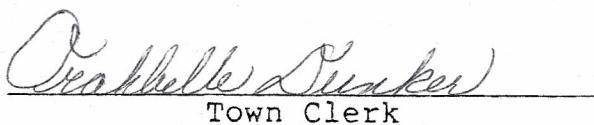
FINALLY ADOPTED AND APPROVED This 27<sup>th</sup> day of OCTOBER, 1981.

( S E A L )



John H. DeSteele  
Mayor

ATTEST:



Debrahelle Parker  
Town Clerk

It was thereupon moved by Trustee ZRUBEK and seconded by Trustee HENDERSON that the foregoing Ordinance, read in full at this meeting as aforesaid, be passed on first reading and be published in full in the Loveland Daily Herald-Reporter, a newspaper of general circulation published in the Town of Berthoud, in its issue of NOVEMBER 4, 1981.

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

Those voting YES:

|          |                   |
|----------|-------------------|
| Trustees | Roger Banzhaf     |
|          | Louise Bein       |
|          | Russell Henderson |
|          | Thomas Jones      |
|          | O.J. Thompson     |
|          | Ralph Zrubek      |

Those voting NO: None

5 members of the Board of Trustees having voted in favor of said motion, the presiding officer thereupon declared the motion carried and the Ordinance passed on first reading.

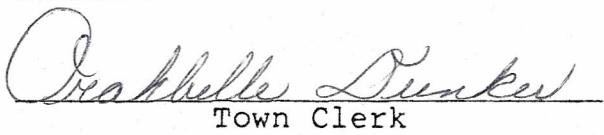
Thereupon, after consideration of other business to come before the Board, the meeting was adjourned.

( S E A L )



Ralph Banzhaf  
Mayor

ATTEST:



Prabelle Tinker  
Town Clerk

STATE OF COLORADO      )  
                            )  
COUNTY OF LARIMER      )    ss.  
                            )  
TOWN OF BERTHOUD      )

I, Orahbelle Bunker, Town Clerk of the Town of Berthoud, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 to 21, inclusive, constitute a true and correct copy of the record of proceedings of the Board of Trustees of the Town, taken at a regular meeting thereof, held at the Town Hall, in Berthoud, Colorado, the regular meeting place of the Council, on Tuesday, October 13, 1981, insofar as said proceedings relate to the passage, adoption and approval of Ordinance No. 521 of said Town on final reading.

That attached hereto is an Affidavit of Publication of the Ordinance as finally passed and adopted by the Board of Trustees at said meeting; that the original Ordinance was duly authenticated by the signatures of the Mayor and myself, as Town Clerk of the Town, sealed with the corporate seal of the Town and signed and approved by the Mayor thereof, and recorded in the Book of Ordinances of the Town kept for that purpose in my office, which record has been duly signed by said officers and sealed with the seal of the Town.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Town of Berthoud, Colorado, this 29 day of October, 1981.

( S E A L )

Orahbelle Bunker  
City Clerk

(Attach Affidavit of Final Publication of Ordinance No. \_\_\_\_\_)

Ordinance #520  
In Ordinance Book

C E R T I F I E D R E C O R D

O F

PROCEEDINGS OF THE

TOWN OF BERTHOUD, LARIMER COUNTY, COLORADO

RELATING TO ITS

GENERAL OBLIGATION WATER BOND ANTICIPATION NOTES,

SERIES 1981, DATED OCTOBER 1, 1981

IN THE PRINCIPAL AMOUNT OF \$1,135,000

STATE OF COLORADO )  
COUNTY OF LARIMER ) ss.  
TOWN OF BERTHOUD )

The Board of Trustees of the Town of Berthoud, Larimer County, Colorado, met in regular session in full conformity with law and the ordinances and rules of the Town, at the Town Hall, on Tuesday, October <sup>27</sup>~~13~~, 1981, at 7:30 P.M.

Upon roll call the following members of the Board of Trustees were present, constituting a quorum:

|                |                     |
|----------------|---------------------|
| Mayor:         | Richard D. Strachan |
| Mayor Pro Tem: | Roger Banzhaf       |
| Trustees:      | Louise Bein         |
|                | Russell Henderson   |
|                | Thomas Jones        |
|                | O.J. Thompson       |
|                | Ralph Zrubek        |

Also present:

Town Manager: Doyle Jackson  
Town Clerk: Orahbelle Bunker  
Town Attorney: Bruce Fickel

Absent: STRACHAN AND THOMPSON

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

Thereupon Trustee BANZHAF introduced and  
there was read in full the following Ordinance:

(Form of General Obligation Water Bond Anticipation Note)  
UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF LARIMER

TOWN OF BERTHOUD  
GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 1981

No. \_\_\_\_\_ \$5,000

The Town of Berthoud, in the County of Larimer and State of Colorado, for value received, acknowledges itself indebted and promises to pay to the bearer hereof the principal sum of

FIVE THOUSAND DOLLARS

in lawful money of the United States of America, on the 1st day of October, 1982, with interest thereon from date until payment at the rate of eleven per centum (11%) per annum, payable on April 1, 1982, and October 1, 1982. Both principal and interest are payable at the Berthoud National Bank, in Berthoud, Colorado, upon presentation and surrender of this Note.

The Notes of this issue shall not be redeemable prior to maturity.

This Note is issued by the Town of Berthoud, Colorado, for the purpose of supplying water to the Town and its inhabitants by extending and improving the waterworks system of the Town, under the authority of and in full conformity with the Constitution and Laws of the State of Colorado, the Charter of said Town, and pursuant to an Ordinance of the Town duly passed and adopted prior to the issuance of this Note.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the Town in the issuance of this Note; that the total debt of the Town, including that of this Note, does not exceed any limit of indebtedness prescribed by the Constitution or Laws of the State of Colorado; and that provision has been made for the levy and collection of a general ad valorem tax on all the taxable property in said Town which, together with other legally available revenues of the Town including the proceeds of the Town's General

Obligation Water Bonds proposed to be issued on or before October 1, 1982, will be sufficient to pay the interest on and the principal of this Note when the same become due.

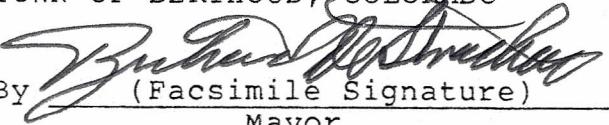
The full faith and credit of the Town of Berthoud, Colorado, are hereby pledged for the punctual payment of the principal of and interest on this Note.

The Board of Trustees has covenanted in the Ordinance authorizing the Notes to issue its General Obligation Water Bonds on or prior to October 1, 1982 in an amount sufficient, together with other monies which may be lawfully available for such purpose, to pay the principal of and interest on the Notes.

IN TESTIMONY WHEREOF, the Town of Berthoud, Colorado, has caused this Note to be signed with the facsimile signature of its Mayor, sealed with an impression of the seal of the Town, attested by the facsimile signature of the Town Clerk, and countersigned with the manual signature of the Town Treasurer, and the attached interest coupons to be signed with the facsimile signature of the Town Treasurer, as of the 1st day of October, 1981.

TOWN OF BERTHOUD, COLORADO

( S E A L )

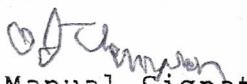
By  (Facsimile Signature)

Mayor

ATTESTED:

  
(Facsimile Signature)  
\_\_\_\_\_  
Town Clerk

COUNTERSIGNED:

  
(Manual Signature)  
\_\_\_\_\_  
Town Treasurer

(Form of Interest Coupon)

No. \_\_\_\_\_

\$ \_\_\_\_\_

April

On the 1st day of October, 19\_\_\_\_, unless the Note to which this coupon is attached, if redeemable, has been called for prior redemption, the Town of Berthoud, in the County of Larimer and State of Colorado, will pay to bearer the amount shown hereon in lawful money of the United States of America, at the Berthoud National Bank, in Berthoud, Colorado, at the option of the holder, being interest then due on its General Obligation Water Bond Anticipation Note dated October 1, 1981, bearing

No. \_\_\_\_\_

(Do Not Sign)

(Facsimile Signature)

\_\_\_\_\_  
Town Treasurer

Section 4. Disposition of Note Proceeds. Said Notes, when executed as provided by law, shall be delivered to the purchaser thereof in accordance with its contract of purchase. The proceeds of the Notes herein authorized shall be used only for the purpose of providing interim financing financing for paying the costs and expenses of supplying the Town of Berthoud with treated water and paying the costs of issuance of the Notes, and for no other purpose whatever. Neither the initial purchaser of the Notes nor any subsequent holder thereof shall 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 proceeds of the Notes may be temporarily invested, or reinvested, pending such use, in securities or obligations which are lawful investments for such municipalities in the State of Colorado. It is hereby covenanted and agreed by the Town that the temporary investment or reinvestment of the Note proceeds, or any portion thereof, shall be of such nature and extent, and for such period, that the Notes shall not be or become an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and pertinent regulations, and such proceeds, if so invested or reinvested, shall be subject to the limitations and restrictions of said Section 103(c), and pertinent regulations as the same now exists or may later be amended.

Section 5. Payment of Principal and Interest. For the purpose of providing for the ultimate payment and redemption of the Notes, there shall be levied on all the taxable property in the Town, in addition to all other taxes, general ad valorem taxes in the year 1982 in an amount sufficient, together with other legally available revenues of the Town including revenues provided for in Section 7 hereof, to pay the principal of and interest on the outstanding Notes as the same become due and payable. Said taxes when collected shall be deposited in a special fund to be known as the "Town of Berthod Water Bond Anticipation Note Fund, 1981", and such Fund shall be applied solely to the purpose of the

payment of the interest on and the principal of the Notes herein authorized and for no other purpose whatever, until the obligation so contracted under this Ordinance, both principal and interest, shall have been fully paid, satisfied and discharged. Nothing herein contained shall be so construed as to prevent the Town from applying any other funds or revenues that may be in the Town treasury and available for that purpose, specifically including those funds provided for in Section 7 hereof, to the payment of the interest or principal of the Notes, as the same respectively mature, and upon any such payments, the levy or levies herein provided may thereupon be diminished to that extent.

An amount necessary to pay all costs and expenses incidental to the issuance of said Notes and the amounts herein-before provided to pay the interest on said Notes and to discharge the principal thereof when due, are hereby appropriated for that purpose, and said amount for each year shall be included in the annual budget and the appropriation bills to be adopted and passed by the Board of Trustees of the Town in each year, respectively.

It shall be the duty of the Board of Trustees of the Town at the time and in the manner provided by law for levying other Town 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 Board shall levy, certify and collect said taxes in the manner provided by law for the purpose of creating a fund for the payment of the principal of the Notes and interest thereon, and said taxes, when collected, shall be kept for and applied only to the payment of the interest and principal of the Notes as hereinabove specified.

Section 6. Establishment of Rates and Charges for Service. Notwithstanding the foregoing provisions for tax levies, the Town hereby further covenants and agrees to establish, maintain, collect and enforce a schedule of rates, fees, tolls and charges for connection to and use of the waterworks system of the Town, which schedule shall be sufficient to assure that the

revenue thereby produced, together with the proceeds of general ad valorem taxes and other legally available moneys, shall pay all reasonable costs and expenses of operating and maintaining the waterworks system and to pay the interest on and principal of the Note, herein authorized, promptly as the same become due and payable, respectively.

Section 7. Payment of Principal and Interest. The Board of Trustees covenants and agrees that prior to October 1, 1982, it will deliver its proposed General Obligation Water Bonds, Series 1982, to the United States Department of Agriculture, Farmers Home Administration, in the principal amount, which, together with any other monies lawfully available for such purpose, shall be sufficient to pay the principal amount of the Notes, and the interest thereon to the date of redemption or maturity. The Town covenants and agrees that the proceeds from the sale of the proposed General Obligation Water Bonds Series 1982, will be immediately applied toward the payment and redemption of the outstanding Notes, and the interest thereon and such proceeds are irrevocably assigned to the holders of the Notes as security for payment thereof.

Section 8. Defeasance. When all principal and interest in connection with the Notes have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Notes 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 Town 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 Federal Securities in which such amount may be initially invested) to meet all requirements of principal and interest as the same become due to the final maturity. 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 Town 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. The term "Federal Securities" within the meaning of this section shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

Section 9. Severability. That if any one or more sections or parts of this Ordinance shall be adjudged unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, it being the intention that the various provisions hereof are severable.

Section 10. Repealer. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 11. Ordinance Irrepealable. After the Notes authorized herein are issued, this Ordinance shall be and remain irrepealable until the Notes and the interest thereon shall have been fully paid, satisfied and discharged.

Section 12. Recording and Authentication. This Ordinance shall be recorded in a book kept for that purpose, and shall be authenticated by the signatures of the Mayor and City Clerk, and shall be published in accordance with law.

Section 13. Emergency Provision. By reason of the fact that the Town and its inhabitants be properly and adequately supplied with water, and that it is necessary to issue and sell Notes of the Town to pay a part of the costs and expenses of extending and improving the water system, which costs and expenses have and will hereafter become due and payable, it is hereby declared that an emergency exists, that this Ordinance is necessary to the immediate preservation of the public peace, health and safety, and that it shall be in full force and effect upon final publication as provided by law.

Section 14. No Action Maintainable. Pursuant to §29-14-107, C.R.S. 1973, as amended, no action of proceeding, at law or in equity, to review any acts or proceedings, or to question the validity or enjoin the performance of any act, or the issuance of any of the Notes, or for any other relief against any

acts or proceedings done or had under said Article 14, whether based upon irregularities or jurisdictional defects, shall be maintained, unless commenced within thirty (30) days after the performance of the act or the effective date of the legislative act complained of, or else be thereafter perpetually barred.

ADOPTED AND APPROVED, this <sup>27<sup>th</sup> day of October,  
1981.</sup>

( S E A L )



John M. Thacker  
Mayor

ATTEST:



Rachelle Dunker  
Town Clerk

It was thereupon moved by Trustee BEIN and seconded by Trustee ZRUBEK that the foregoing Ordinance, introduced and read in full at this meeting, be finally adopted and approved as an emergency ordinance, and be published in full in the Loveland Daily Reporter-Herald, a newspaper having general circulation in the Town, in its issue of NOVEMBER 4, 1981.

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

Those voting YES:

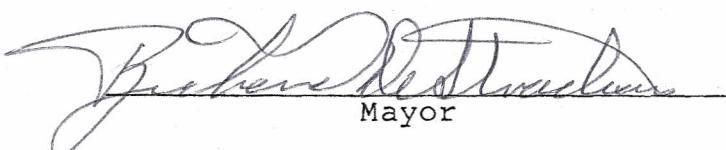
|           |                   |
|-----------|-------------------|
| Trustees: | Roger Banzhaf     |
|           | Louise Bein       |
|           | Russell Henderson |
|           | Thomas Jones      |
|           | O.J. Thompson     |
|           | Ralph Zrubek      |

Those voting NO: None

The presiding officer thereupon declared that at least three-fourths the members of the Board of Trustees having voted in favor thereof, the motion was carried and the Ordinance, adopted and approved as an emergency ordinance.

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

( S E A L )



B. D. D.  
Mayor

ATTEST:



Debbie Dinken  
Town Clerk

STATE OF COLORADO )  
COUNTY OF LARIMER ) ss.  
TOWN OF BERTHOUD )

I, Orahbelle Bunker, Town Clerk of the Town of Berthoud, Colorado, do hereby certify that the foregoing pages numbered 1 to 11, inclusive, contain a true and correct copy of proceedings taken by the Board of Trustees of the Town at a regular meeting thereof, held on Tuesday, October 13, 1981, so far as said proceedings relate to the passage and adoption of Ordinance No.

520 concerning the issuance of General Obligation Water Bond Anticipation Notes, Series 1981, of the Town; that the original ordinance has been signed by the Mayor, and myself as Town Clerk, under the seal of the Town, and filed in the official records of the Town.

I further certify that the Ordinance was published in the Loveland Daily Reporter-Herald, a newspaper having general circulation in Berthoud, and legally qualified for Town 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 Town, this 29 day of October,  
1981.

( S E A L )

Orabelle Penker  
City Clerk

(Attach Affidavit of Publication of  
Ordinance No. 520)