

Town of Haxtun
January 17, 2022
SPECIAL MEETING
MINUTES

The Haxtun Town Council met for their special meeting at 7:00 p.m. The meeting was opened by Mayor Brandon Bieseemeier at the Haxtun Town Hall. Roll call was taken with the following council members present: Robert Cionek, Michael Ensminger, Ryan Horton, Lori Lundgren, Robert Martinez (attended by phone) and Tana Pope. Mayor Bieseemeier led the group in the Pledge of Allegiance.

Staff members present were Ron Carpenter, Town Superintendent, Nate Nadow, Chief of Police, Kelsey Harms, Deputy Town Clerk, and Karie Wilson, Town Clerk/Treasurer.

Guests attending by phone was Kim Crawford, our bond attorney from Butler Snow.

After introductions were made with Ms Crawford, a brief discussion was held in regard to the Bond Ordinance, the next step in finalizing our bond for our upcoming street project.

A motion was made by L. Lundgren and seconded by M. Ensminger to approve the following Ordinance 2022-1 setting forth all the perimeters of the ballot questions passed by our citizens last November 2021. A roll call vote was held, and the following is the result of the vote.

Robert Cionek – Yes
Robert Martinez – Yes
Ryan Horton – Yes
Lori Lundgren – Yes
Mike Ensminger – Yes
Tana Pope – Yes
Brandon Bieseemeier –Yes

The Ordinance was adopted as follows:

ORDINANCE NO. 2022-1

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE TOWN OF HAXTUN, COLORADO, SALES AND USE TAX REVENUE BONDS, SERIES 2022; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE TOWN FOR THE PAYMENT OF THE BONDS; PROVIDING CERTAIN COVENANTS AND OTHER DETAILS; AND DECLARING AN EMERGENCY.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF HAXTUN, COLORADO:

Section 1. Definitions. Terms used in this Ordinance shall have the meanings specified in this section for all purposes of this Ordinance and of any ordinance amendatory hereof, supplemental hereto or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication otherwise requires. All definitions include the singular and plural and include all genders. Certain terms may be parenthetically defined elsewhere herein.

Act: Section 29-2-112, C.R.S.

Additional Bonds: the one or more series of bonds or other securities or obligations authorized to be issued by the Town pursuant to Section 16 or Section 17 hereof and having a lien on the Pledged Revenue on a parity with the lien of the Bonds.

Average Annual Debt Service Requirement: the sum of principal and interest requirements on the Bonds to be paid during each Fiscal Year for the period beginning with the Fiscal Year in which such computation is being made and ending with the last Fiscal Year in which the Bonds become due, divided by the number of Fiscal Years (including portions thereof) during the period beginning with the Fiscal Year in which such computation is being made and ending with the last Fiscal Year in which the Bonds become due.

Board: the Board of Trustees of the Town or any successor in functions thereto.

Bond Fund: the fund by that name as detailed in Section 13 hereof.

Bond Question: the bond question which was approved by the Town's voters at the Election.

Bonds or Bond: the Town's Sales and Use Tax Revenue Bonds, Series 2022, issued solely as a single, fully registered bond pursuant to this Ordinance.

Business Day: a day on which banks located in the Town and in the city in which the principal office of the Paying Agent and the Registrar are located are not required or authorized to be closed and on which the New York Stock Exchange is not closed.

Commercial Bank: any securities depository for public funds permitted by the laws of the State for political subdivisions of the State which has a capital and surplus of \$10,000,000 or more, and which is located within the United States.

County: Phillips County, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Election: the election held within the Town on November 2, 2021.

Fiscal Year: the twelve months commencing on the first day of January of any calendar year and ending on the thirty-first day of December of such calendar year or such other twelve month period as may from time to time be designated by the Board as the Fiscal Year of the Town.

Governmental Obligations: any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(1) direct general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) bonds, debentures, notes, or other evidences of indebtedness issued by the Export-Import Bank of the United States, the Federal Financing Bank, the Farmers Home Administration, the General Services

Administration, the U.S. Maritime Administration, or the U.S. Department of Housing and Urban Development; or

(3) evidences of ownership interests in obligations described in paragraph (1) or (2) above.

Lender: Capital One Public Funding, LLC and its successors and assigns.

Maximum Annual Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Bonds and any Additional Bonds then Outstanding or proposed to be issued which will become due in any Fiscal Year.

Ordinance: this Ordinance of the Town, which provides for the issuance and delivery of the Bonds.

Outstanding: as of any date of calculation, all Bonds theretofore executed, issued and delivered by the Town except:

(1) Bonds and Additional Bonds theretofore canceled by the Town, Registrar or Paying Agent, or surrendered to the Town, Registrar or Paying Agent for cancellation;

(2) Bonds and Additional Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Town and authenticated by the Registrar unless proof satisfactory to the Registrar is presented that any such Bonds are duly held by the lawful Registered Owners thereof; or

(3) Bonds deemed to have been paid as provided in Section 19 hereof or any similar provision of an ordinance authorizing the issuance of Additional Bonds.

Owner or Registered Owner: the registered owner of the Bonds as shown on the registration books kept by the Registrar.

Paying Agent: the Town Treasurer of the Town or, or his or her successors in function and/or assigns.

Permitted Investment: any investment or deposit permitted by the laws of the State and Ordinances of the Town.

Person: any individual, firm, partnership, corporation, company, association, joint-stock association or body politic; and the term includes any trustee, receiver, assignee or other similar representative thereof.

Placement Agent: Saulsbury Hill Financial, LLC, Denver, Colorado.

Pledged Revenue:

- a. the revenues derived from the Pledged Sales Tax and the Pledged Use Tax;
 2. any additional taxes (other than a general ad valorem tax), funds or revenues which the Town hereafter pledges to the payment of the Bonds;
 3. proceeds of the Bonds or other legally available moneys deposited into and held in the Bond Fund and Reserve Fund; and
 4. interest or investment income on the Bond Fund and the Reserve Fund;
- all to the extent that such moneys are at any time required by Section 13 hereof to be deposited into and held in the Bond Fund and the Reserve Fund.

Pledged Sales Tax: the proceeds of the Town's 1.0% Sales Tax previously approved by the voters of the Town in April 2010. "Pledged Sales Tax" does not include the Town's previously imposed 1.5% Sales Tax, any incremental sales taxes which are or may be pledged to the payment of the Bonds pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S. or a plan of development as defined in Section 31-25-802 (6.4) C.R.S. "Pledged Sales Tax" does not include amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Pledged Sales Tax, and Pledged Sales Tax does not include amounts collected by the Town and subsequently determined, pursuant to the applicable Sales Tax Ordinance, to be subject to valid claims for refunds. "Pledged Sales Tax" does not include the proceeds of any increase in the Sales Tax which may be approved in the future, unless such increase is expressly pledged to the payment of the Bonds by the Town. "Pledged Sales Tax" does include the proceeds derived by the Town from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the Pledged Sales Tax, regardless of whether such tax or taxes or fees are imposed by the Town or the State or other political subdivision thereof.

Pledged Use Tax: the proceeds of the Town's 1.0% Use Tax previously approved by the voters of the Town in April 2010. "Pledged Use Tax" does not include the Town's previously imposed 1.5% Use Tax, amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Pledged Use Tax, and Pledged Use Tax does not include amounts collected by the Town and subsequently determined, pursuant to the applicable Use Tax Ordinance, to be subject to valid claims for refunds. "Pledged Use Tax" does not include the proceeds of any increase in the Use Tax which may be approved in the future, unless such increase is expressly pledged to the payment of the Bonds by the Town. "Pledged Use Tax" does include the proceeds derived by the Town from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the Pledged Use Tax, regardless of whether such tax or taxes or fees are imposed by the Town or the State or other political subdivision thereof.

Project: the street improvement project described in the Bond Question and approved by the voters at the Election.

Rebate Fund: the fund by that name created by Section 13 hereof.

Record Date: the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding such interest payment date.

Registrar: the Town Clerk/Treasurer of the Town, or his or her successors.

Reserve Fund: the fund by that name created by the provisions of Section 13 hereof.

Reserve Fund Requirement: such amount as set forth in the Sale Certificate.

Sale Certificate: the certificate executed by either the Mayor or the Town Clerk/Treasurer dated on or before the date of delivery of the Bonds, setting forth: (i) the rates of interest on the Bonds, (ii) the conditions on which and the prices at which the Bonds may be called for redemption; (iii) the price at which the Bonds will be sold; (iv) the principal amount of the Bonds; (v) the due dates and principal installment amounts of the Bonds; (vi) the maturity date for the Bonds; (vii) the dates on which interest will be paid and the first interest payment date; and (viii) any other matters which may be determined by the Mayor and/or Town Clerk/Treasurer pursuant to Section 11-57-205 of the Supplemental Act, all subject to the parameters and restrictions contained in Section 5 of this Ordinance.

Sales Tax: the rate of sales tax of the Town in effect as of the date hereof. The term “Sales Tax” does not include any increases in the rate of sale taxes from the present rate of 2.5%, nor does it include any other excise taxes which may now or hereafter be imposed by the Town, whether contained in the Municipal Code, or any ordinance of the Town.

Sales Tax Ordinance: the ordinances adopted by the Board of Trustees of the Town for the purpose of adopting and enforcing the Sales Tax and which are in effect on the date of this Ordinance and as later amended or supplemented.

Special Record Date: a special date fixed to determine the names and addresses of Registered Owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 5 hereof.

State: the State of Colorado.

Supplemental Act: the Supplemental Public Securities Act, being Part 2 of Article 57 of Title 11, C.R.S., as amended.

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and any regulations promulgated thereunder.

Term Bonds: the Bonds, if any, that are payable on or before their specified maturity dates from sinking fund payments pursuant to Section 6.B hereof.

Town: the Town of Haxtun, Colorado.

Town Clerk/Treasurer: the Town Clerk/Treasurer of the Town or her successor or assigns.

Trust Bank: a Commercial Bank which is authorized to exercise and is exercising trust powers.

Use Tax: the rate of use tax of the Town in effect as of the date hereof. The term “Use Tax” does not include any increases in the rate of use taxes from the present rate of 2.5%, nor does it include any other excise taxes which may now or hereafter be imposed by the Town, whether contained in the Municipal Code, or any ordinance of the Town.

Use Tax Ordinance: the ordinances adopted by the Board of Trustees of the Town for the purpose of adopting and enforcing the Use Tax and which are in effect on the date of this Ordinance and as later amended or supplemented.

Section 2. Recitals.

A. The Town is a municipal corporation duly organized and existing under the laws of the State.

B. Pursuant to Section 29-2-112, C.R.S. and Article X, Section 20 of the Colorado Constitution, the Board submitted to the Town's electors at the Election the following question:

WITH NO INCREASE IN THE TOWN'S CURRENT SALES AND USE TAX RATE, SHALL THE TOWN OF HAXTUN DEBT BE INCREASED UP TO \$1.5 MILLION, WITH A MAXIMUM REPAYMENT COST OF \$2.5 MILLION; AND SHALL THE TOWN'S EXISTING SALES AND USE TAX OF 1.0% APPROVED BY THE VOTERS IN 2010 FOR STREET IMPROVEMENTS BE USED FOR FINANCING ALL OR ANY PART OF THE COSTS OF THE DESIGN, CONSTRUCTION AND MAINTENANCE OF STREET IMPROVEMENTS, SUCH DEBT TO PAYABLE FROM SUCH TOWN SALES AND USE TAX REVENUES AS THE BOARD OF TRUSTEES OF THE TOWN MAY DETERMINE AND BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE TOWN MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM OF NOT TO EXCEED 3.0%; AND SHALL THE TOWN BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION AT A HIGHER OR LOWER RATE; AND SHALL THE REVENUES RAISED BY SUCH SALES AND USE TAX AND PROCEEDS OF SUCH DEBT, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE TOWN AS A VOTER-APPROVED REVENUE CHANGE PURSUANT TO ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

C. The Town has not heretofore issued any of the debt authorized at the Election.

D. The Town has determined and hereby determines that it is in the best interest of the Town to issue debt for the purposes stated in the ballot question approved by the voters of the Town at the Election, and such debt shall be payable from the Town's Sales Tax and Use Tax.

E. Pursuant to Article X, Section 20(4) of the State Constitution, the Bonds may not be sold on terms which exceed the maximum principal and repayment cost amounts described in the ballot question or in the notice sent to voters as \$1,500,000 maximum principal amount of bonds, \$2,500,000 maximum annual repayment cost, and \$2,500,000 maximum total repayment cost.

F. Except for the lien created by this Ordinance, there will be no liens on the Pledged Revenue on the date of the issuance of the Bonds so that the Pledged Revenue may be pledged lawfully and irrevocably for the payment of the Bonds.

G. The Bonds authorized by this Ordinance shall be payable in whole or in part from the Pledged Revenue, and shall have an irrevocable lien (but not necessarily an exclusively such lien), on such Pledged Revenue.

H. The Town intends to negotiate a proposal with the Lender for extension of credit by the Lender to the Town as evidenced by the Bonds for the purpose of defraying in whole or in part the costs of the Project.

I. The Board has determined, and hereby determines that the Bonds authorized by this Ordinance shall be privately placed with the Lender.

J. The Town has designated the Placement Agent to act as placement agent in order to assist the Town with the selection of the Lender.

K. The Board desires to cause the Bonds to be issued, to authorize and direct the application of the proceeds thereof as set forth herein, and to provide security for the payment thereof, all in the manner hereinafter set forth.

L. In order to complete the issuance of the Bonds while favorable market conditions exist, it is hereby declared that an emergency exists and that this Ordinance is necessary for the immediate preservation of the public peace, health, and safety.

M. Pursuant to the Supplemental Act, the Town desires to delegate to the Mayor and the Town Clerk/Treasurer the independent power and authority to accept the proposal of the Lender to extend credit to the Town as evidenced by the Town's issuance of the Bonds and to make such other determinations as are provided herein, subject to the parameters set forth in Section 5 of this Ordinance.

Section 3. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board and other officers of the Town in the imposition and collection of the Sales Tax and the Use Tax, the receipt of the Pledged Revenue, the construction of the Project, and issuing the Bonds for those purposes are ratified, approved and confirmed.

Section 4. Authorization. The Project is hereby authorized at a cost of not exceeding \$1,500,000 (excluding costs to be paid from sources other than the proceeds of Bonds issued using authorization from the Election). There are hereby authorized to be issued fully registered sales and use tax bonds of the Town, to be designated "Town of Haxtun, Colorado, Sales and Use Tax Revenue Bonds, Series 2022" in the aggregate principal amount of not to exceed \$1,500,000, to be payable and collectible, both as to principal and interest, from the Pledged Revenue. Pursuant to the Supplemental Public Securities Act, the Board hereby delegates to the Mayor and the Town Clerk/Treasurer the independent authority to execute and approve the terms of the Bonds and to executed and deliver the Sale Certificate.

Section 11-57-204 of the Supplemental Act provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

The Bonds are issued under the authority of the Supplemental Act and shall so recite as provided herein. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and regularity of the issuance of the Bonds and their delivery for value.

Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the Mayor and the Town Clerk/Treasurer the independent authority to arrange for the issuance of the Bonds, to execute the Sale Certificate and to accept the proposal of the Lender, as well as the authority to make determinations in relation to the Bonds contained in the Sale Certificate, subject to the parameters and restrictions contained in Section 5 of this Ordinance.

Section 5. Details of the Bonds.

(a) Subject to the provisions of Section 11 hereof, the Bonds shall be issued only as a single, fully registered Bonds without coupons. The Bonds shall be numbered in such manner as the Registrar may determine and shall

initially be registered in the name of Lender. The Bonds shall be dated as of their date of delivery and shall bear interest from their date until maturity, except that if the Bonds are reissued upon transfer, exchange or other replacement, the Bonds shall bear interest from the most recent payment date to which interest has been paid, or if no interest has been paid, from the date of the Bonds.

(b) The Bonds shall mature, be payable in principal installments and bear interest from their dated date to maturity, and be sold, all as provided in the Sale Certificate, provided that:

(i) the aggregate principal amount of the Bonds shall not exceed \$1,500,000;

(ii) the maximum net effective interest rate on the Bonds shall not exceed 2.945%;

(iii) the Bonds shall mature no later than June 1, 2039; and

(iv) the maximum annual repayment amount of the Bonds shall not exceed \$2,500,000 and the total repayment amount shall not exceed \$2,500,000.

Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable as provided in the Sale Certificate.

The principal of and premium, if any, on the Bonds shall be payable in installments to the Registered Owner thereof as shown on the registration records kept by the Registrar at the Principal Operations Office. Notwithstanding the above, so long as the Lender or its successors and assigns is the sole owner of 100% of the Bonds Outstanding, the Lender shall not be required to surrender the Bonds on the final maturity date thereof to receive payment of the principal thereof. If the Bonds shall not be paid upon such presentation and surrender at or after maturity or prior redemption, the Bonds shall continue to draw interest at the same interest rate borne thereby until the principal thereof is paid in full. Payment of interest on the Bonds shall be made by wire or electronic funds transfer sent by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Registered Owner thereof at the address shown on the registration records kept by the Registrar at the close of business on the Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the Registered Owner of the Bonds not less than ten days prior to the Special Record Date by first-class mail to the Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on the Bonds by such alternative means as may be mutually agreed to between the Owner of the Bonds and the Paying Agent (provided, however, that the Town shall not be required to make funds available to the Paying Agent prior to the interest payment dates stated in the Sale Certificate). All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

Section 6. Prior Redemption.

A. Optional Prior Redemption. The Bonds shall be subject to optional redemption prior to maturity at the option of the Town as provided in the Sale Certificate.

B. Mandatory Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts, and at the prices set forth in the Sale Certificate. On or before the thirtieth day prior to each sinking fund payment date, the Registrar will proceed to call the Term Bonds (or any Term Bond or Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next sinking fund payment date and give notice of such call without further instruction or notice from the Town.

At its option, to be exercised on or before the sixtieth day next preceding each sinking fund redemption date, the Town may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the Town on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The Town will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) above are to be availed with respect to such sinking fund payment. Failure of the Town to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this Section.

C. Notice. Notice of optional redemption shall be given by the Registrar in the name of the Town, by sending a copy of such notice by certified, first-class postage prepaid mail, not more than 60 nor less than 30 days prior to the redemption date, to the Registered Owner of the Bonds, at his address as it last appears on the registration records kept by the Registrar.

Such notice shall identify the date fixed for redemption and shall further state that on such redemption date the principal amount thereof and the designated premium thereon, if any, will become due and payable at the Paying Agent, and that from and after such date interest will cease to accrue. Accrued interest to the redemption date will be paid by wire or electronic funds transfer to the Registered Owner (or by alternative means if so agreed to by the Paying Agent and the Registered Owner). Notice having been given in the manner hereinabove provided, the Bonds shall become due and payable on the redemption date so designated; and upon presentation and surrender thereof at the Paying Agent, the Town will pay the principal of and premium, if any, on the Bonds.

Notwithstanding the provisions of this Section, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the redemption date of funds sufficient to pay the redemption price of the Bonds, and that if such funds are not available, such redemption shall be cancelled by written

notice to the Owner of the Bonds in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds are on deposit with the Paying Agent in the applicable fund or account.

Section 7. Special Obligations. The Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenue, which are hereby irrevocably so pledged; the Owner of the Bonds may not look to any general or other fund for the payment of principal and interest on the Bonds except the designated special funds pledged therefor; and the Bonds shall not constitute an indebtedness nor a debt within the meaning of any applicable constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the Town.

Section 8. Form of Bonds. The Bonds shall be substantially as follows, with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF PHILLIPS

TOWN OF HAXTUN, COLORADO

SALES AND USE TAX REVENUE BOND

SERIES 2022

NO. R- 1

\$1,500,000

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
2.945%	June 1, 2039	January 25, 2022	N/A

REGISTERED OWNER: CAPITAL ONE PUBLIC FUNDING, LLC

PRINCIPAL AMOUNT: ONE MILLION FIVE HUNDRED THOUSAND DOLLARS

The Town of Haxtun, in the County of Phillips and State of Colorado (the “Town”), for value received, promises to pay to the registered owner specified above, or registered assigns, solely from the special funds provided therefor, the principal amount specified above, on the maturity date specified above payable in installments on the dates and in the amounts set forth in Schedule 1 attached hereto (unless called for earlier redemption), and to pay from said sources interest thereon on March 1, June 1, September 1 and December 1, of each year, whether or not a Business Day, commencing on March 1, 2022, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond constitutes the sole bond of an authorized series of bonds (the “Bonds”) issued pursuant to an ordinance of the Board of Trustees of the Town adopted on January 17, 2022 (the “Bond Ordinance”). This bond bears interest, matures, is payable, is subject to redemption prior to maturity, and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

The principal of this bond is payable without the requirement for presentation and surrender hereof by the registered owner at the principal office of the Town Treasurer of the Town (the “Paying Agent” and “Registrar”). Interest on this bond will be paid on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), by wire or electronic funds transfer to the person in whose name this bond is registered in the registration records of the Town maintained by the Registrar at its principal office and at the address appearing thereon at the close of business on the Record Date.

This Bond is subject to redemption prior to maturity at the option of the Town in whole but not in part on March 1, 2032, or on any payment date thereafter, at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium, all in accordance with the further requirements of Section 5 of the Ordinance and the Sale Certificate.

The Bonds are issued by the Board of Trustees of the Town for the purpose of financing the Project under the authority of and in full conformity with the constitution and laws of the State of Colorado, Article X, Section 20 of the Colorado Constitution, Section 29-2-112, C.R.S., and pursuant to the duly adopted Bond Ordinance.

The Bonds are also issued pursuant to Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act"). Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

The principal of and interest on this bond are payable only from the proceeds of the Pledged Revenue, all as more particularly set forth in the Bond Ordinance. This bond constitutes an irrevocable lien (but not necessarily an exclusively such lien) on the Pledged Revenue.

The Bonds do not constitute a debt or an indebtedness of the Town within the meaning of any applicable constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the Town, and are payable from, and constitute a pledge of and an irrevocable lien (but not an exclusive lien) on, the Pledged Revenue (as defined in the Bond Ordinance), certain other moneys held in the Bond Fund and the Reserve Fund (as both such funds are defined in the Bond Ordinance) and investment income on certain accounts, all to the extent that such moneys are at any time required to be deposited into and held in the Bond Fund, and the Reserve Fund as provided in the Bond Ordinance, subject to certain exceptions and exclusions as provided in the Bond Ordinance.

The Bonds constitute a pledge of, and an irrevocable lien (but not an exclusively such lien) on all of the Pledged Revenue. The Bonds are equitably and ratably secured by a lien on the Pledged Revenue.

FOR PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE TOWN HAS DESIGNATED THIS BOND AS A QUALIFIED TAX-EXEMPT OBLIGATION.

Reference is made to the Bond Ordinance for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the receipt and disposition of the Pledged Revenue, the nature and extent of the security, the terms and conditions under which additional bonds payable from the Pledged Revenue may be issued, the rights, duties and obligations of the Town, the rights of the Owner of the Bonds, the events of default and remedies, the circumstances under which this bond is no longer Outstanding, the ability to amend the Bond Ordinance; and by the acceptance of this bond the Owner hereof assents to all provisions of the Bond Ordinance. The principal of and the interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities between the Town and the original or any intermediate Owner hereof or any setoffs or cross-claims.

It is further certified and recited that all the requirements of law have been fully complied with by the proper Town officers in the issuance of this bond.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication herein.

IN TESTIMONY WHEREOF, the Board of Trustees of the Town of Haxtun, Colorado has caused this bond to be signed and executed in its name with a manual or facsimile signature of the Mayor of the Town, and to be signed, executed and attested with a manual or facsimile signature of the Town Clerk/Treasurer, with a manual or facsimile impression of the seal of the Town affixed hereto, all as of the date specified above.

(Manual or Facsimile Signature)

Mayor

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)

Town Clerk/Treasurer

(End of Form of Bond)

SCHEDULE 1 – INSTALLMENT PAYMENTS

Date	Principal	Coupon	Interest	Total P+I
03/01/2022	22,961.65	2.945%	4,417.50	27,379.15
06/01/2022	16,504.45	2.945%	10,874.69	27,379.14
09/01/2022	16,625.97	2.945%	10,753.18	27,379.15
12/01/2022	16,748.37	2.945%	10,630.77	27,379.14
03/01/2023	16,871.68	2.945%	10,507.46	27,379.14
06/01/2023	16,995.90	2.945%	10,383.24	27,379.14
09/01/2023	17,121.03	2.945%	10,258.11	27,379.14
12/01/2023	17,247.09	2.945%	10,132.06	27,379.15
03/01/2024	17,374.07	2.945%	10,005.08	27,379.15
06/01/2024	17,501.99	2.945%	9,877.16	27,379.15
09/01/2024	17,630.84	2.945%	9,748.30	27,379.14
12/01/2024	17,760.65	2.945%	9,618.49	27,379.14
03/01/2025	17,891.41	2.945%	9,487.73	27,379.14
06/01/2025	18,023.14	2.945%	9,356.01	27,379.15
09/01/2025	18,155.84	2.945%	9,223.31	27,379.15
12/01/2025	18,289.51	2.945%	9,089.64	27,379.15
03/01/2026	18,424.16	2.945%	8,954.98	27,379.14
06/01/2026	18,559.81	2.945%	8,819.33	27,379.14
09/01/2026	18,696.46	2.945%	8,682.69	27,379.15
12/01/2026	18,834.11	2.945%	8,545.04	27,379.15
03/01/2027	18,972.78	2.945%	8,406.37	27,379.15
06/01/2027	19,112.46	2.945%	8,266.68	27,379.14
09/01/2027	19,253.18	2.945%	8,125.97	27,379.15
12/01/2027	19,394.93	2.945%	7,984.21	27,379.14
03/01/2028	19,537.73	2.945%	7,841.42	27,379.15
06/01/2028	19,681.57	2.945%	7,697.57	27,379.14
09/01/2028	19,826.48	2.945%	7,552.67	27,379.15
12/01/2028	19,972.45	2.945%	7,406.70	27,379.15
03/01/2029	20,119.50	2.945%	7,259.65	27,379.15
06/01/2029	20,267.63	2.945%	7,111.52	27,379.15
09/01/2029	20,416.85	2.945%	6,962.30	27,379.15
12/01/2029	20,567.17	2.945%	6,811.98	27,379.15
03/01/2030	20,718.59	2.945%	6,660.55	27,379.14
06/01/2030	20,871.13	2.945%	6,508.01	27,379.14
09/01/2030	21,024.80	2.945%	6,354.35	27,379.15
12/01/2030	21,179.59	2.945%	6,199.55	27,379.14
03/01/2031	21,335.53	2.945%	6,043.62	27,379.15
06/01/2031	21,492.61	2.945%	5,886.54	27,379.15
09/01/2031	21,650.85	2.945%	5,728.30	27,379.15
12/01/2031	21,810.25	2.945%	5,568.89	27,379.14
03/01/2032	21,970.83	2.945%	5,408.31	27,379.14
06/01/2032	22,132.59	2.945%	5,246.55	27,379.14
09/01/2032	22,295.54	2.945%	5,083.60	27,379.14
12/01/2032	22,459.70	2.945%	4,919.45	27,379.15
03/01/2033	22,625.05	2.945%	4,754.09	27,379.14
06/01/2033	22,791.63	2.945%	4,587.52	27,379.15
09/01/2033	22,959.44	2.945%	4,419.71	27,379.15
12/01/2033	23,128.47	2.945%	4,250.67	27,379.14
03/01/2034	23,298.76	2.945%	4,080.39	27,379.15
06/01/2034	23,470.29	2.945%	3,908.85	27,379.14
09/01/2034	23,643.09	2.945%	3,736.05	27,379.14
12/01/2034	23,817.17	2.945%	3,561.98	27,379.15
03/01/2035	23,992.52	2.945%	3,386.63	27,379.15
06/01/2035	24,169.17	2.945%	3,209.98	27,379.15
09/01/2035	24,347.11	2.945%	3,032.04	27,379.15
12/01/2035	24,526.37	2.945%	2,852.78	27,379.15
03/01/2036	24,706.94	2.945%	2,672.21	27,379.15
06/01/2036	24,888.85	2.945%	2,490.30	27,379.15
09/01/2036	25,072.09	2.945%	2,307.06	27,379.15
12/01/2036	25,256.68	2.945%	2,122.46	27,379.14
03/01/2037	25,442.64	2.945%	1,936.51	27,379.15
06/01/2037	25,629.96	2.945%	1,749.19	27,379.15
09/01/2037	25,818.66	2.945%	1,560.49	27,379.15
12/01/2037	26,008.75	2.945%	1,370.40	27,379.15
03/01/2038	26,200.24	2.945%	1,178.91	27,379.15
06/01/2038	26,393.14	2.945%	986.01	27,379.15
09/01/2038	26,587.46	2.945%	791.69	27,379.15
12/01/2038	26,783.21	2.945%	595.94	27,379.15
03/01/2039	26,980.40	2.945%	398.75	27,379.15
06/01/2039	27,179.04	2.945%	200.11	27,379.15
Total	\$1,500,000.00	-	\$416,540.25	\$1,916,540.25

Yield Statistics

Bond Year Dollars	\$14,143.98
Average Life	9.429 Years
Average Coupon	2.9449999%

Net Interest Cost (NIC)	2.9449999%
True Interest Cost (TIC)	2.9559233%
Bond Yield for Arbitrage Purposes	2.9559233%
All Inclusive Cost (AIC)	2.9559233%

IRS Form 8038

Net Interest Cost	2.9449999%
Weighted Average Maturity	9.429 Years

(Form of Registrar's Certificate of Authentication)

This is the bond described in the within-mentioned Bond Ordinance, and this bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

TOWN OF HAXTUN, COLORADO,

as Registrar

Date of Authentication

By: _____

and Registration: January 25, 2022

Town Clerk/Treasurer

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Address of transferee:

Social Security or other tax

identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

Section 9. Uniform Commercial Code. The holder of the Bonds shall possess all rights enjoyed by the holders of investment securities under the provisions of the Uniform Commercial Code – Investment Securities. The principal of and interest on the Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities between the Town and the original or any intermediate Owner of the Bonds or any setoffs or cross-claims.

Section 10. Execution. The Bonds shall be executed in the name and on behalf of the Town by the signature of the Mayor, shall be sealed with a manual or facsimile impression of the seal of the Town and attested by the signature of the Town Clerk/Treasurer. The Bonds shall be authenticated by the manual signature of an authorized officer or employee of the Registrar as hereinafter provided. The signatures of the Mayor and the Town Clerk/Treasurer may be by manual or facsimile signature. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the Town (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that before the delivery thereof and payment therefor or before the issuance of the Bonds upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the Town Clerk/Treasurer shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the Bonds. At the time of the execution of the signature certificate, the Mayor and the Town Clerk/Treasurer may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon the Bonds.

The Bonds shall not be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by the Registrar if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

Section 11. Registration, Transfer and Exchange.

A. The Owner of the Bonds reserves the right to assign, transfer or convey the Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the Town, unless and until the Owner has delivered to the Town written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Owner or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing in this Ordinance shall limit the right of the Owner or its assignees to sell or assign participation interests in the Bonds to one or more entities listed in (i) or (ii). Any such assignment, transfer or conveyance as described in this paragraph shall comply with all applicable laws.

B. Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer thereof at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond of a like aggregate principal amount and of the same maturity and interest rate, bearing a number not previously assigned. Bonds may be exchanged at the office of the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate and aggregate principal amount. The Registrar shall authenticate and deliver a Bond which the Registered Owner making the exchange is entitled to receive, bearing a number not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of the Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the Owner of the Bond requesting such exchange or transfer.

C. The Registrar shall not be required to transfer or exchange of the Bonds (1) during a period beginning at the opening of business 15 days before the day of the mailing of notice of prior redemption as herein provided and ending at the close of business on the day of such mailing, or (2) after the mailing of such notice calling the Bonds for prior redemption..

D. The Person in whose name the Bonds shall be registered, on the registration books kept by the Registrar, shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest to the Owner thereof as is provided in Section 5 hereof; and payment of or on account of either principal or interest on the Bonds shall be made only to or upon the written order of the Registered Owner thereof or his legal representative, but such registration may be changed upon transfer thereof in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Bonds to the extent of the sum or sums so paid.

E. If the Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond of a like aggregate principal amount, and of the same maturity and interest rate, bearing a number not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or is about to become due and payable, the Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

F. The officers of the Town are authorized to deliver to the Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

G. Whenever the Bonds shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, the Bonds shall be promptly cancelled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the Town.

Section 12. Delivery of Bonds and Disposition of Proceeds. When the Bonds have been duly executed by appropriate Town officers and authenticated by the Registrar, the Town shall cause the Bonds to be delivered to the Lender on receipt of the agreed issue price. The Registrar shall initially register the Bonds in such name or names as the Lender shall direct.

The proceeds of the Bonds shall be deposited promptly by the Town and shall be accounted for in the following manner and are hereby pledged therefor, but the Lender or any subsequent Owner of the Bonds in no manner 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: All proceeds of the Bonds shall be credited to any fund or account of the Town as determined by the Town and used by the Town, together with any other available moneys therefor, to pay the costs of the Project and costs incidental to the issuance of the Bonds. After payment of all costs of the Project and of issuance of the Bonds, or after adequate provisions therefor is made, any unexpended balance of the proceeds of the Bonds shall be deposited in the Bond Fund and applied to the payment of the principal of and interest on the Bonds.

Section 13. Lien on Pledged Revenue; Use of the Pledged Revenue. The Bonds constitute a pledge of, and an irrevocable lien (but not necessarily an exclusive such lien) on all of the Pledged Revenue. The Bonds are equitably and ratably secured by a lien on the Pledged Revenue. So long as the Bonds shall be Outstanding, either as to principal or interest, the Pledged Revenue, upon receipt by the Town, be applied as follows:

A. Bond Fund. FIRST, there shall be credited from the Pledged Revenue to a special account of the Town hereby created and to be known as the "Town of Haxtun, Colorado, Sales and Use Tax Revenue Bonds Series 2022 Bond Fund" the following amounts:

1. Interest Payments. Quarterly, and concurrently with amounts required to be transferred for payment of any Additional Bonds, commencing on the first day of the first quarter following the date of delivery of the Bonds, an amount in equal quarterly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding, and quarterly thereafter, commencing on each interest payment date, one-fourth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

2. Principal Payments. Quarterly, and concurrently with amounts required to be transferred for payment of Additional Bonds, commencing on the first day of the first quarter following the date of delivery of the Bonds,

an amount in equal quarterly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and quarterly thereafter, commencing on each principal payment date, one-fourth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, or pursuant to Section 6 hereof, if any.

If prior to any interest payment date or principal payment date there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraph (1) or (2) (whichever is applicable) of this paragraph, may be appropriately reduced; but the required quarterly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date. The moneys in the Bond Fund shall be used only to pay the principal of and interest on the Bonds as the same becomes due.

B. Reserve Fund. SECOND, Second, except as hereinafter provided and as provided in the Sale Certificate, from any remaining Pledged Revenue, and concurrently with any payments required to be made pursuant to a reserve fund or account established by an ordinance authorizing the issuance of Additional Bonds, there shall be credited quarterly to a separate fund hereby created, known as the "Town of Haxtun Sales and Use Tax Revenue Bonds Series 2022 Reserve Fund" an amount, if any, which is necessary to maintain the Reserve Fund as a continuing reserve in an amount not less than the Reserve Fund Requirement.

The Reserve Fund Requirement will be paid with currently available funds of the Town. Any Reserve Fund relating to Additional Bonds shall be specified in the Ordinance authorizing such Additional Bonds. In determining the amounts required to be deposited as provided above, the Town shall receive credit for any investment earnings on the deposit in the Reserve Fund. Investment earnings on deposits in the Reserve Fund shall remain in the Reserve Fund if the amount on deposit in the Reserve Fund does not equal the Reserve Fund Requirement. No credit need be made to the Reserve Fund so long as the moneys therein equal the Reserve Fund Requirement (regardless of the source of such accumulations). The Reserve Fund Requirement shall be accumulated and maintained as a continuing reserve to be used, except as provided in subsections C and E of this Section and Section 19 hereof, only to prevent deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to credit to the Bond Fund sufficient funds to pay said principal and interest as the same accrue.

The payments required to be made by this paragraph shall be made concurrently with payments required to be made to any reserve fund or account pursuant to any ordinance authorizing Additional Bonds and concurrently with any repayment or similar obligations payable to any provider issuing any reserve fund insurance policy with respect to any Additional Bonds. If there is insufficient Pledged Revenue to comply with the requirements of the first sentence of this paragraph, available Pledged Revenue shall be credited or paid to the Reserve Fund and to reserve funds or accounts which may be established by any ordinance authorizing Additional Bonds (or to the issuer of any reserve fund insurance policy or any other provider issuing any reserve fund insurance policy with respect to any Additional Bonds) pro rata, based upon the aggregate principal amount of the Bonds and any such Additional Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph.

C. Termination Upon Deposits to Maturity or Redemption Date. No payment need be made into the Bond Fund, the Reserve Fund, or both, if the amount in the Bond Fund and the amount in the Reserve Fund total a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to maturity, or to any redemption date on which the Town shall have exercised its option to redeem the Bonds then Outstanding and thereafter maturing, including any prior redemption premiums then due, if any, and both accrued and not accrued, in which case moneys in the Bond Fund and Reserve Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in the two Funds may be withdrawn and used for any lawful purpose.

D. Defraying Delinquencies in Bond and Reserve Funds. If on any required payment date the Town shall for any reason fail to pay into the Bond Fund the full amount above stipulated for the preceding six months, then an amount shall be paid into the Bond Fund on such date from the Reserve Fund equal to the difference between the amount paid and the full amount so stipulated. After such a draw any available Pledged Revenue, after the payments required by paragraph A of this Section, shall be used to replenish cash in the Reserve Fund. The cash so used shall be replaced in the Reserve Fund from the first Pledged Revenue received that are not required to be otherwise applied by this Section, but excluding any payments required for any subordinate obligations; provided, however, that an amount equal to the amount withdrawn from the Reserve Fund shall be deposited by the Town in the Reserve Fund no later than twelve months from the date of such withdrawal. If at any time the Town shall for any reason fail to pay into the Reserve Fund the full amount above stipulated from the Pledged Revenue, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein from the first Pledged Revenue thereafter received not required to be applied otherwise by this Section, but excluding any payments required for any subordinate obligations. The moneys in the Bond Fund and in the Reserve Fund shall be used solely for the purpose of paying the principal and any redemption premium of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Reserve Fund Requirement calculated with respect to the Bonds in the Reserve Fund may be withdrawn therefrom and used for any lawful purpose; and provided, further, that any moneys in the Bond Fund and in the Reserve Fund in excess of accrued and unaccrued principal and interest requirements to maturity of the Outstanding Bonds may be used for any lawful purpose of the Town.

E. Rebate Fund. Third, concurrently with any payments required to be made pursuant to any ordinance authorizing the issuance of Additional Bonds with respect to any rebate funds created thereby, there shall be deposited in a special fund of the Town known as the "Town of Haxtun, Colorado, Sales and Use Tax Revenue Bonds Rebate Fund" amounts required by Section 148(f) of the Tax Code to be held until such time as any required rebate payment is made. Amounts in the Rebate Fund shall be used for the purpose of making the payments to the United States required by Section 148(f) of the Tax Code. Any amounts in excess of those required to be on deposit therein by Section 148(f) of the Tax Code shall be withdrawn therefrom and deposited into the Bond Fund. Amounts in the Rebate Fund shall not be subject to the lien created by this Ordinance to the extent such amounts are required to be paid to the United States Treasury.

Nothing in this Ordinance shall prevent the Town from making refunds of amounts collected by the Town and subsequently determined, pursuant to the applicable Sales Tax Ordinance and Use Tax Ordinance, to be subject to valid claims for refunds.

F. Use of Remaining Revenues. After making the payments required to be made by this Section, any remaining Pledged Revenue may be used for any lawful purpose.

Nothing in this Ordinance shall prevent the Town from making refunds of amounts collected by the Town and subsequently determined, pursuant to the applicable Sales Tax Ordinance and Use Tax Ordinance, to be subject to valid claims for refunds.

Section 14. General Administration of Accounts. The fund and accounts designated in Section 13 hereof shall be administered as follows subject to the limitations stated in Section 18(K). hereof:

A. Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 13 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Board in each year respectively while the Bonds, either as to principal or interest, are Outstanding and unpaid. No provision of any constitution, statute, ordinance, resolution, or other order or measure enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the Town to keep and perform the covenants contained in this Ordinance so long as the Bonds remain Outstanding and unpaid. Nothing herein shall prohibit the Board, at its sole option, from appropriating and applying other funds of the Town legally available for such purpose to the Bond Fund or Reserve Fund for the purpose of providing for the payment of the principal of, interest on or any premiums due with respect to the Bonds.

B. Places and Times of Deposits. Each of the special funds created in Section 13 hereof shall be maintained as a book account kept separate and apart from all other accounts or funds of the Town as trust accounts solely for the purposes herein designated therefor. For purposes of investment of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more such book accounts pertaining to the Pledged Revenue or to such accounts and any other funds of the Town to be established under this Ordinance. Moneys in any such book account shall be continuously secured to the fullest extent required by the laws of the State for the securing of public accounts. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on or before the next preceding Business Day.

C. Investment of Fund or Accounts. Any moneys in any account established by Section 13 of this Ordinance may be invested or reinvested in any Permitted Investment. Securities or obligations purchased as such an investment shall either be subject to redemption at any time at face value by the holder thereof at the option of such holder, or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the account in question. Securities or obligations so purchased as an investment of moneys in any such account shall be deemed at all times to be a part of the applicable account. The Town shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such account. The Town shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceed \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In such event the Town shall invest or reinvest not less than substantially all of the amount which will not be needed during such 60 day period, except for any moneys on deposit in an

interest bearing account in a Commercial Bank, without regard to whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to this Section 14(C) and Section 14(E) hereof; but the Town is not required to invest, or so to invest in such a manner, any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 18(K) hereof.

D. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither the Town nor any officer of the Town shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

E. Character of Funds. The moneys in any fund or account herein authorized shall consist of lawful money of the United States or investments permitted by Section 14(C) hereof or both such money and such investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank pursuant to Section 14(C) hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 15. Lien on Pledged Revenue. The Bonds constitute a pledge of, and an irrevocable lien (but not necessarily an exclusive such lien) on the Pledged Revenue. The Bonds are equitably and ratably secured by a lien on the Pledged Revenue.

Section 16. Additional Bonds.

A. Limitations Upon Issuance of Additional Bonds. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the Town of Additional Bonds or other obligations, payable from and constituting a lien upon the Pledged Revenue on a parity with the lien of the Bonds. Such Additional Bonds may be payable solely from the Pledged Revenue or they may be payable from the Pledged Revenue and another revenue or fund of the Town (“Additional Pledged Revenue”). Regardless of whether payable solely from the Pledged Revenue or from the Pledged Revenue and Additional Pledged Revenue, such bonds or other obligations may be issued only if for the Fiscal Year immediately preceding the issuance of any Additional Bonds, the amount of the Pledged Revenue in such Fiscal Year equaled or exceeded 125% of the Maximum Annual Debt Service Requirement on the Bonds (including the Additional Bonds proposed to be issued). For the purpose of satisfying the aforementioned 125% test, any tax, now existing or hereafter imposed, which legally becomes a part of the Pledged Revenue during the Fiscal Year preceding the issuance of Additional Bonds, or any tax which is to legally become a part of the Pledged Revenue immediately prior to the issuance of Additional Bonds, or any increase in the rate of any tax which is a part of the Pledged Revenue which increase is imposed during the Fiscal Year preceding the issuance of Additional Bonds or any such increase which is to be imposed immediately prior to or concurrently with the issuance of Additional Bonds can be considered for its estimated effect on the amount of the Pledged Revenue as if such tax or increase had been in effect for the Fiscal Year immediately preceding the issuance of such Additional Bonds. Any tax which is no longer in effect at the time of issuance of the Additional Bonds shall not be considered for purposes of satisfying such tests.

So long as the Lender is the sole Owner of 100% of the Bonds Outstanding, no Additional Bonds may be issued without the prior written consent of the Lender.

B. Certificate of Revenues. A written certification by an officer or employee of the Town that the requirements of Paragraph A of this Section have been met shall be conclusively presumed to be accurate in determining the right of the Town to authorize, issue, sell and deliver said Additional Bonds on a parity with the Bonds herein authorized.

C. Subordinate Obligations Permitted. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the Town of additional obligations payable from and constituting a lien upon the Pledged Revenue subordinate or junior to the lien of the Bonds.

D. Superior Obligations Prohibited. Nothing in this Ordinance shall be construed so as to permit the Town to hereafter issue obligations payable from the Pledged Revenue having a lien thereon prior or superior to the Bonds.

Section 17. Refunding Obligations.

A. Generally. If at any time after the Bonds shall have been issued and remain Outstanding, the Town shall find it desirable to refund any Outstanding obligations payable from the Pledged Revenue, said obligations, or any part thereof, may be refunded, subject to the provisions of Paragraph B of this Section 17, if (1) the obligations to be refunded, at the time of their required surrender for payment, shall then mature or shall then be callable for prior redemption at the Town's option upon proper call, or (2) the Owners of the obligations to be refunded consent to such surrender and payment.

B. Protection of Obligations Not Refunded. Any refunding obligations payable from the Pledged Revenue shall be issued with such details as the Board may provide, so long as there is no impairment of any contractual obligation imposed upon the Town by any proceedings authorizing the issuance of any unrefunded portion of obligations payable from the Pledged Revenue; but so long as the Bonds are Outstanding, refunding obligations payable from the Pledged Revenue may be issued on a parity with the Bonds only if:

1. Prior Consent. The Town first receives the consent of the Owner of the Bonds; or
2. Requirements Not Increased. The refunding obligations do not increase, for any Fiscal Year prior to and including the last maturity date of the Bonds, the aggregate principal and interest requirements evidenced by such refunding obligations and by any Outstanding Bonds, and the lien of any refunding parity obligations on the Pledged Revenue is not raised to a higher priority than the lien thereon of any obligations thereby refunded; or
3. Earnings Test. The refunding obligations are issued in compliance with Paragraphs A and B of Section 16 hereof.

Section 18. Protective Covenants. The Town hereby additionally covenants and agrees with each and every Owner of the Bonds that:

A. Use of Bond Proceeds. The Town will proceed with the acquisition of the Project without delay and with due diligence.

B. Payment of Bonds. The Town will promptly pay the principal of and interest on the Bonds issued hereunder and secured hereby on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof. Such principal and interest is payable solely from the Pledged Revenue.

C. Amendment of Certain Ordinances; Duty to Impose Sales Tax and Use Tax; Impairment of Contract. The Sales Tax Ordinance and the Use Tax Ordinance are in full force and effect and have not been repealed or amended.

The Town will not repeal or amend said Sales Tax Ordinance and the Use Tax Ordinance in any manner which would diminish the proceeds of the Pledged Revenue by an amount which would materially adversely affect the security for the Bonds. The Town agrees that any law, ordinance or resolution of the Town in any manner affecting the Pledged Revenue or the Bonds, or otherwise appertaining thereto, shall not be repealed or otherwise directly or indirectly modified in such manner as to materially adversely affect the Bonds Outstanding, unless the required consent is obtained, all as provided in Section 28 of this Ordinance.

Notwithstanding any other provision of this Section or this Ordinance, the Town shall retain the right to make changes, without any consent of the Owner of the Bonds, in the Sales Tax Ordinance and the Use Tax Ordinance, or any ordinance supplemental thereto or in substitution therefor, concerning the use of proceeds of the Pledged Revenue remaining after the current requirements of all ordinances authorizing bonds or other securities payable from the Pledged Revenue, or any portion thereof, have been met; or concerning changes in applicability, exemptions, administration, collection, or enforcement of the Sales Tax and Use Tax, if such changes do not materially adversely affect the security for the Bonds; but the Town shall not reduce the current rate of the Pledged Revenue without the consent of the Owner of at least 66 percent in aggregate principal amount of the then Outstanding Bonds, as provided in Section 28 of this Ordinance.

The foregoing covenants are subject to compliance by the Town with orders of courts of competent jurisdiction concerning the validity, constitutionality or collection of such tax revenues, any legislation of the United States or the State or any regulation or other action taken by the federal government, any State agency or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action applies to the Town as a Colorado municipality and limits or otherwise inhibits the amount of such tax revenues due to the Town. All of the Pledged Revenue resulting from the imposition and collection of the Sales Tax and Use Tax shall be subject to the payment of the principal of, interest on, and redemption premium, if any, of all securities payable from the Pledged Revenue, including reserves therefor, as provided herein or in any instrument supplemental or amendatory hereof.

D. Defense of Legality of the Pledged Revenue. There is not pending or threatened any suit, action or proceeding against or affecting the Town before or by any court, arbitrator, administrative agency or other governmental authority which affects the validity or legality of this Ordinance, or the Sales Tax Ordinance and the Use Tax Ordinance or the imposition and collection of the Sales Tax and Use Tax, any of the Town's obligations under this Ordinance or any of the transactions contemplated by this Ordinance or the Sales Tax Ordinance and the Use Tax Ordinance.

The Town shall, to the extent permitted by law, defend the validity and legality of this Ordinance, the Sales Tax and Use Tax and the Sales Tax Ordinance and the Use Tax Ordinance against all claims, suits and proceedings which would diminish or impair the Pledged Revenue. Furthermore, the Town shall amend from time to time the provisions of any

ordinance or resolution of the Town, as necessary to prevent impairment of the Pledged Revenue as required to meet the principal of and interest on the Bonds when due.

E. Further Assurances. At any and all times the Town shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenue and other funds and accounts hereby pledged or assigned, or intended so to be, or which the Town may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance. The Town, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of said Pledged Revenue and other funds and accounts pledged hereunder and all the rights of every Owner of any of the Bonds against all claims and demands of all Persons whomsoever.

F. Conditions Precedent. Upon the issuance of the Bonds, all conditions, acts and things required by the Constitution or laws of the United States, the Constitution or laws of the State, or this Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened and have been performed, and the Bonds, together with all other obligations of the Town, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States, the Constitution or laws of the State, the Act, or the Supplemental Act.

G. Records. So long as the Bonds remain Outstanding, proper books of record and account will be kept by the Town, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenue and the accounts created or continued by this Ordinance.

H. Audits. The Town further agrees that it will, within 210 days following the close of each Fiscal Year, cause an audit of such books and accounts to be made by a certified public accountant, (the "Audit") who is not an employee of the Town, showing the Pledged Revenue. Upon written request, as soon as available, the Town shall provide to the Owner a copy of the Audit, which may be in electronic pdf format. In the event the Audit is filed on the MSRB's "EMMA" website, to satisfy this requirement the Town may email a link to the posted Audit to the Owner. So long as the Lender is the Owner of the Bonds, the electronic Audit or EMMA link may be sent to the following email address (or such other address as the Lender supplies to the Town in writing): Yvonne2.foley@capitalone.com (Yvonne Foley). In the event that the Audit is not available when requested, the Town will furnish unaudited financial statements to the Owner in the manner described in this paragraph, and will then supply the Audit immediately upon the availability thereof.

I. Performing Duties. The Town will faithfully and punctually perform all duties with respect to the Pledged Revenue required by the Act and the Constitution and laws of the State and the ordinances and resolutions of the Town, including but not limited to the proper collection and enforcement of the Sales Tax and Use Taxes and the segregation of the Pledged Revenue and their application to the respective accounts herein designated.

J. Other Liens. As of the date of issuance of the Bonds, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenue.

K. Tax Covenant. The Town covenants for the benefit of the Registered Owner of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Town or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Town in fulfilling the above covenant under the Tax Code and Colorado law have been met.

The Town hereby determines that neither the Town nor any entity subordinate thereto reasonably anticipates issuing more than \$10,000,000 face amount of tax-exempt governmental bonds (including bonds issued on behalf of a 501(c)(3) organization, but not other private activity bonds) or any other similar obligations during calendar year 2022, which obligations are taken into account in determining if the Town can designate the Bonds as a qualified tax-exempt obligation as provided in the following sentence. For the purpose of Section 265(b)(3)(B) of the Code, the Town hereby designates the Bonds as qualified tax-exempt obligations.

L. Town's Existence. The Town will maintain its corporate identity and existence so long as the Bonds remain Outstanding, unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the Town and is obligated by law to receive and distribute the Pledged Revenue in place of the Town, without materially adversely affecting the privileges and rights of any Owner of any Outstanding Bonds.

M. Performance of Duties. The Town will faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenue required by the laws of the State and the ordinances of the Town, including without limitation the proper segregation of the Pledged Revenue as set forth in Section 14 hereof and their application to the respective accounts as herein provided.

N. Prompt Collections. The Town will cause the Pledged Revenue to be collected promptly and accounted for in the accounts as herein provided.

O. Surety Bonds. Each official of the Town having custody of the Pledged Revenue, or responsible for their handling, shall be fully bonded at all times, which bond shall be conditioned upon the proper application of such money.

P. Prejudicial Contracts and Action Prohibited. No contract will be entered into, nor will any action be taken, by the Town by which the rights and privileges of any Owner are impaired or diminished.

Q. Continuing Disclosure Undertakings. In connection with the Town's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by the Town pursuant to SEC

Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), the Lender acknowledges that the Town may be required to file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or its successor (“EMMA”), notice that the Town has incurred obligations and notice of certain subsequent events reflecting financial difficulties in connection with the Bonds. The Town agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about the Lender or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Lender or its affiliates, unless otherwise required for compliance with the Rule or otherwise required by law. The Town acknowledges that the Lender is not responsible for the Town’s compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

Section 19. Defeasance. When the Bonds have been fully paid both as to principal and interest, all obligations hereunder shall be discharged and the Bonds shall no longer be deemed to be Outstanding for any purpose of this Ordinance, except as set forth in Section 18(K) hereof. Payment of the Bonds shall be deemed made when the Town has placed in escrow with a Trust Bank an amount sufficient (including the known minimum yield from Governmental Obligations) to meet all requirements of principal of and interest on such Bond as the same become due to maturity. The Governmental Obligations shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule agreed upon between the Town and such Trust Bank at the time of creation of the escrow and shall not be callable prior to their scheduled maturities by the issuer thereof.

Section 20. Acceptance of Proposal. The Board hereby authorizes the issuance of the Bonds to the Purchaser upon the terms, conditions, and provisions as set forth in the Sale Certificate. The Board hereby determines that the issuance of the Bonds within the parameters and limitations provided herein is to the best advantage of the Town.

Section 21. Delegated Powers. The officers of the Town be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing, the printing of the Bonds, and the execution of such certificates as may be required by the Lender, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 22. Events of Default. Each of the following events is hereby declared an “event of default:”

A. Nonpayment of Principal. If payment of the principal of the Bonds in connection therewith, shall not be made when the same shall become due and payable at maturity; or

B. Nonpayment of Interest. If payment of any installment of interest on the Bonds shall not be made when the same becomes due and payable; or

C. Incapable to Perform. If the Town shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

D. Default of Any Provision. If the Town shall default in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in this Ordinance on its part to be performed,

other than those delineated in Paragraphs A and B of this Section, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Town by the Owner of not less than 25% in aggregate principal amount of the Bonds then Outstanding.

Section 23. Remedies. Upon the happening and continuance of any event of default as provided in Section 22 hereof, the Owner of not less than 25% in principal amount of the Outstanding Bonds, or a trustee therefor, may protect and enforce their rights hereunder by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent of such appointment being hereby granted), injunctive relief, or requiring the Board to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings shall be maintained for the equal benefit of the Owner of the Bonds. The failure of the Owner to proceed does not relieve the Town or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right available to the Owner of Bonds and the exercise of any right by the Owner shall not be deemed a waiver of any other right.

Section 24. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 22 of this Ordinance, the Town in addition, will do and perform all proper acts on behalf of and for the Owner of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal and interest on said Bonds promptly as the same become due. Proceeds derived from the Pledged Revenue, so long as the Bonds herein authorized, either as to principal or interest, are Outstanding and unpaid, shall be paid into the Bond Fund and the Reserve Fund, pursuant to the terms hereof and to the extent provided herein, and used for the purposes herein provided. In the event the Town fails or refuses to proceed as in this section provided, the Owner of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and enforce the rights of such Owner as hereinabove provided.

Section 25. Replacement of Registrar or Paying Agent. The Registrar or Paying Agent may resign at any time on 30 days' prior written notice to the Town and to the Registered Owner of the Bonds. The Town may remove said Registrar or Paying Agent upon 30 days' prior written notice to the Registrar and/or Paying Agent, as the case may be. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor has been appointed and has accepted such duties, as applicable. Every such successor Registrar or Paying Agent shall be the Town or a bank or trust company having a shareowner's equity (e.g., capital, surplus, and undivided profits), however denominated, of not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the Town shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 26. Severability. If any one or more sections, sentences, clauses or parts of this Ordinance shall for any reason be held invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, but shall be confined in its operation to the specific sections, sentences, clauses or parts of this Ordinance so held unconstitutional or invalid, and the inapplicability and invalidity of any section, sentence, clause or part of this Ordinance in any one or more instances shall not affect or prejudice in any way the applicability and validity of this Ordinance in any other instances.

Section 27. Repealer. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 28. Amendment. After the Bonds have been issued, this Ordinance shall constitute a contract between the Town and the Owner of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, satisfied, and discharged except as otherwise provided in this Section.

A. The Town may, without the consent of, or notice to the Owner of the Bonds, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

1. to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owner of the Bonds;

2. to subject to the lien of this Ordinance additional revenues, properties or collateral;

3. to grant or confer upon the Registrar for the benefit of the Registered Owner of the Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Registered Owner of the Bonds; or

4. to qualify this Ordinance under the Trust Indenture Act of 1939.

B. Exclusive of the amendatory ordinances permitted by Paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the Board in accordance with the law, without receipt by the Town of any additional consideration but with the written consent of the Owner of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance; provided, however, that, without the written consent of the Owner of the Bonds adversely affected thereby, no such Ordinance shall have the effect of permitting:

1. An extension of the maturity of the Bonds authorized by this Ordinance; or

2. A reduction in the principal amount of the Bonds or the rate of interest thereon; or

3. The creation of a lien upon or pledge of the Pledged Revenue ranking prior to the lien or pledge created by this Ordinance; or

4. A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance; or

5. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

6. The modification of, or otherwise affecting the rights of the Owners of, less than all of the Bonds then Outstanding.

Section 29. Disposition of Ordinance. This Ordinance, as adopted by the Board, shall be numbered and recorded by the Town Clerk/Treasurer in the official records of the Town. The adoption and publication shall be authenticated by the signatures of the Mayor and Town Clerk/Treasurer, and by the certificate of publication.

Section 30. Ratification and Approval of Prior Action. All actions heretofore taken by the officers of the Town and the members of the Board, consistent with the provisions of this Ordinance, relating to the Project and the authorization, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 31. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds as provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the Town, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the Town. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Town irrespective of whether such persons have notice of such liens.

Section 32. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Town acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the Town, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of its extension of credit to the Town through issuance of the Bonds, the Lender specifically waives any such recourse.

Section 33. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to the provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 34. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the Town in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 35. Ordinance Irrepealable. After the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the Town and the Owner of the Bonds, and shall be and remain irrepealable until the Bonds, the interest thereon, shall be fully paid, cancelled and discharged as herein provided. No provisions of any constitution, statute,

ordinance, resolution or other measure enacted after the issuance of the Bonds shall in any manner be construed as impairing the obligations of the Town to keep and perform the covenants contained in this Ordinance.

Section 36. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the Town in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 37. Electronic Signatures; Electronic Transactions. In the event the Mayor, the Town Clerk, the Town Superintendent, or other employee or official of the Town that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Ordinance (collectively, the “Authorized Documents”) is not able to be physically present to manually sign any such Authorized Document, such individual or individuals are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. It is hereby determined that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 38. Emergency Declaration; Effective Date. It is hereby found and determined by the Board of Trustees that: (i) the Project is necessary and in the public interest in order to effect certain voter approved street improvements within the Town; (ii) the current market is such that in order to maximize savings the Bonds must be issued at an accelerated rate. As a result of the foregoing, the Board of Trustees hereby declares that an emergency exists, and that this Ordinance is necessary to the immediate preservation of the public health and safety, all in accordance with §31-16-105, C.R.S. This Ordinance shall take effect upon adoption by the affirmative vote of three-fourths (3/4) of the members of the Board of Trustees pursuant to §31-16-105, C.R.S.

PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE this 17th day of January, 2022.

(S E A L)

TOWN OF HAXTUN, COLORADO

Mayor

ATTEST:

Town Clerk/Treasurer

STATE OF COLORADO)
)
 COUNTY OF PHILLIPS) SS.
)
 TOWN OF HAXTUN)

I, Karie L. Wilson, the Town Clerk/Treasurer of the Town of Haxtun, Colorado, do hereby certify:

1. That the foregoing pages are a true, correct, and complete copy of an ordinance (the “Ordinance”) concerning the Town’s Sales and Use Tax Revenue Bonds, Series 2022, adopted by the Board of Trustees (the “Board”) of the Town at a special meeting of the Board held at the Town Hall on January 17, 2022.

2. The Ordinance was adopted on first reading as an emergency ordinance at an open, special meeting of the Board on January 17, 2022, by an affirmative vote of three-fourths (3/4) of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Brandon Bieseimeier, Mayor	X			
Lori Lundgren, Mayor Pro Tem	X			
Tana Burmester-Pope	X			
Robert Cionek	X			
Mike Ensminger	X			
Ryan Horton	X			
Rob Martinez	X			

3. The Ordinance has been signed by the Mayor, sealed with the corporate seal of the Town, attested by me as Town Clerk/Treasurer, and duly recorded in the books of the Town; and that the same remains of record in the book of records of the Town.

4. That notice of the regular meeting of January 17, 2022 attached hereto as Exhibit A was posted within the Town at least 24 hours before such meeting as required by law.

5. That the Ordinance was published in full after first and final reading in the Haxtun-Fleming Herald, a newspaper of general circulation within the Town, on January 26, 2022. The affidavit of publication is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Town this 17th
day of January, 2022.

(SEAL)

Town Clerk/Treasurer

EXHIBIT A

(Attach Affidavit of Publication)

EXHIBIT B
(Attach Notice of Meeting)

A motion was made by T. Pope and seconded by R Cionek to adjourn. The meeting adjourned at 7:14 pm subject to the call of the Mayor.

Karie Wilson
Town Clerk/Treasurer