

**GUNNISON COUNTY BOARD OF COUNTY COMMISSIONERS  
SPECIAL MEETING MINUTES  
October 25, 2011**

The October 25, 2011 meeting was held in the Commissioners' boardroom in the Courthouse located at 200 E. Virginia, Gunnison, Colorado. Present were:

Hap Channell, Chairperson  
Paula Swenson, Vice-Chairperson  
Phil Chamberland, Commissioner

Matthew Birnie, County Manager  
Katherine Haase, Clerk to the Board  
Others Present as Listed in Text

**CALL TO ORDER:** Chairperson Channell called the meeting to order at 1:00 pm.

**WARRANTS AND TRANSFERS:** Finance Director Linda Nienhueser presented the Warrant Report dated October 25, 2011 and the Cash Transfer Authorization dated September 2011 for discussion and approval. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to approve the Warrants for October 25, 2011 in the amount of \$2,824,702.07. Motion carried unanimously. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to approve the Cash Transfer for September 2011 in the amount of \$2,216,774.25. Motion carried unanimously.

**TREASURER'S MONTHLY REPORT:** CBS Accounting Certified Public Accountant Christine Stouder was present for discussion. County Treasurer Melody Marks presented the January 2011 (revised), February 2011 and March 2011 Treasurer's Monthly Reports for discussion and acceptance. She also brought Investment Reports dated January 31, 2011, February 28, 2011 and March 31, 2011 for discussion. The Board asked that future reports be presented as soon as they're done in lieu of the regular monthly schedule until they are caught up. **Moved** by Commissioner Chamberland, seconded by Commissioner Swenson to accept the Treasurer's Monthly Reports for January, February and March 2011. Motion carried unanimously.

**RESOLUTION; A RESOLUTION AUTHORIZING A TAXABLE BOND ANTICIPATION NOTE (ANTELOPE HILLS WATER DIVISION PROJECT) SERIES 2011, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$1,288,000; AND REPEAL RESOLUTION NOS. 2011-32 AND 2011-34:** Finance Director Linda Nienhueser, County Attorney David Baumgarten, and Municipal Capital Markets Group, Inc. representative Christopher Perlitz were present for discussion.

Finance Director Nienhueser presented the draft resolution for discussion and approval. **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to adopt Resolution #2011-40, a Resolution Authorizing a Taxable Bond Anticipation Note (Antelope Hills Water Division Project) Series 2011, in the Principal Amount not to Exceed \$1,288,000; and Repeal Resolution Nos. 2011-32 and 2011-34 and authorize signatures. Motion carried unanimously.

**CORRESPONDENCE; POST OFFICE LETTER:** The draft correspondence was discussed. **Moved** by Commissioner Chamberland, seconded by Commissioner Swenson to approve the letter being sent in an effort to protect rural post offices from the proposed closures. Motion carried unanimously.

**ADJOURN:** **Moved** by Commissioner Swenson, seconded by Commissioner Chamberland to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 1:34 pm.

\_\_\_\_\_  
Hap Channell, Chairperson

\_\_\_\_\_  
Paula Swenson, Vice-Chairperson

\_\_\_\_\_  
Phil Chamberland, Commissioner

Minutes Prepared By:

\_\_\_\_\_  
Katherine Haase, Deputy County Clerk

Attest:

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Stella Dominguez, County Clerk

**GUNNISON COUNTY BOARD OF COMMISSIONERS TEXT INCLUSION INTO MINUTES**

**BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO  
RESOLUTION NO. 2011-40**

A RESOLUTION AUTHORIZING THE ISSUANCE OF A TAXABLE BOND ANTICIPATION NOTE (ANTELOPE HILLS WATER DIVISION PROJECT), SERIES 2011, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$1,288,000; AND REPEAL RESOLUTION NOS. 2011-32 AND 2011-34.

WHEREAS, Gunnison County, Colorado (the "County") is a duly created and organized county existing under the Constitution and laws of the State of Colorado (the "State"); and

WHEREAS, the County does now own, operate and maintain a water system and a sewer system for the County and its inhabitants (collectively, the "System"), a portion of which is known as the Antelope Hills Water Division; and

WHEREAS, the Board of County Commissioners (the "Board") of the County has determined and does hereby determine that the County finance the acquisition, construction, reconstruction, improvement, betterment or extension of its water system to provide water service to users in the Antelope Hills Water Division (the "Project" or the "Antelope Hills Water Project"); and

WHEREAS, there are not sufficient funds in the County treasury available to pay for the costs of the Antelope Hills Water Project; and

WHEREAS, the Board has designated the Antelope Hills Water Division of the County's Water and Sewer District (the "Water System") as an enterprise for purposes of Article X, Section 20, of the Colorado Constitution; and

WHEREAS, the Water System qualifies as an enterprise pursuant to Article X, Section 20 of the Colorado Constitution; and

WHEREAS, in anticipation of receiving a loan and grant from the United States Department of Agriculture Rural Utilities Service ("RUS"), the County has obtained a commitment for interim financing from U.S. Bank, National Association (the "Purchaser") in an amount not to exceed \$1,288,000 (the "Loan"); and

WHEREAS, the County anticipates repayment of the Loan no later than December 31, 2013 from the proceeds of the RUS loan and grant (the "RUS Proceeds"), the Net Revenue of the Water System, and any other moneys legally available therefore; and;

WHEREAS, the County has never pledged nor in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the Water System to the payment of any securities or for any other purpose and with the result that the Net Revenue may now be pledged lawfully and irrevocably for the payment of the Note and may be made payable from the Net Revenue; and

WHEREAS, pursuant to Article 14 of Title 29, C.R.S. (the "Note Act") and the Part 4 of Article 20 of Title 30, C.R.S. (the "Act"), the County may issue bond anticipation notes in anticipation of the issuance of bonds without an election; and

WHEREAS, it is the intent and purpose of this resolution to authorize the issuance of a note (the "Note") to evidence the Loan and to defray, in part, the cost of the Project; and

WHEREAS, said Note shall not be a general obligation debt of the County, nor shall the Note be payable out of any funds other than the proceeds of bonds to be sold to the RUS; and

WHEREAS, the United States of America, acting by and through RUS, pursuant to the Request for Obligation of Funds dated June 9, 2011, between it and the County, has agreed to purchase all of the County's bonds, in an aggregate principal amount and at an interest rate to be determined later; and

WHEREAS, the Board has determined and does hereby determine and declare that the Loan Commitment Letter received from the Purchaser containing the terms and conditions of the Loan and the private sale of the Note to the Purchaser constitutes the best proposal for purchase of the Note and is to the best advantage of the County; and

WHEREAS the County has previously adopted Resolution No. 2011-32 on August 23, 2011, as amended by Resolution No. 2011-34 adopted on September 6, 2011 (collectively, the "Prior Note Resolution"); and

WHEREAS, the County desires to repeal and rescind Prior Note Resolution and replace it in its entirety with this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO:

Short Title. This resolution may be designated by the short title "Antelope Hills Water Project Note Resolution."

Definitions. The terms defined in this section, except where the context requires otherwise, shall have the following meanings:

"Act" means Part 4 of Article 20 of Title 30, C.R.S.

"Antelope Hills Water Division" means the property located within the Antelope Hills Water Division of the Gunnison County Water and Sewer District, as shown in Schedule I hereto.

"Board" means the Board of County Commissioners of the County, or any successor governing body of the County.

"Bonds" means the revenue bonds to be sold to RUS as permanent financing for the Project pursuant to the Request for Obligation of Funds between RUS and the County.

"Costs of the Project" means all costs and expenses in connection with the Project budgeted and appropriated for the period in which the Note is outstanding, including without limitation:

- (a) obligations incurred or assumed for labor and materials;
- (b) the cost of performance and payment bonds and of insurance of all kinds (including, without limitation, title insurance for the Project) that may be necessary or appropriate;
- (c) the costs of engineering, architectural and other professional and technical services, including obligations or assumed for preliminary design and development work, test borings, surveys, estimates and plans and specifications;
- (d) administrative costs incurred in connection with the Project, including supervision of construction and installation as well as the performance of all of the other duties required by or consequent upon the Project; including, without limitation, costs of preparing and securing all documents related to the Project, architectural, engineering and other professional and technical fees, legal fees and expenses, appraisal fees, independent inspection fees, auditing fees, and advertising expenses;
- (e) all costs which are required to be paid under the terms of any contract executed in connection with the acquisition and construction of the Project;
- (f) all costs which are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles; and
- (g) any and all other costs necessary to effect the acquisition, construction, reconstruction, improvement, betterment or extension of the System in the Antelope Hills Water Division to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest of the Note.

"County" means Gunnison County, Colorado.

"Holder" or "Owner" means the registered owner of the Note as it appears on the registration records kept by the County.

"Gross Revenue" means all fees (including but not limited to user fees and plant investment fees), charges and revenues directly or indirectly derived by the County for the services furnished by, or use of, the Water System, or any part thereof, including all income attributable to any future dispositions of property or rights related contracts, settlements, or judgments held or obtained in connection with the Water System or its operations; provided however, that there shall be excluded from Gross Revenue (a) moneys borrowed and used for providing Capital Improvements, (b) any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations for the purpose of defeasing the same, and (c) any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of capital improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the Water System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"Net Revenue" means the Gross Revenue remaining after the payment of the Operation and Maintenance Expenses of the Water System.

"Note" means the security authorized herein and designated as the "Gunnison County, Colorado, Taxable Bond Anticipation Note (Antelope Hills Water Project), Series 2011."

"Note Act" means Article 14 of Title 29, C.R.S.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, for operating, maintaining, and repairing the Water System, including without limitation legal and overhead expenses of the County directly related to the administration of the Water System; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance or transfers for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with capital improvements, payments due in

connection with any bonds or other obligations issued to provide capital improvements, and charges for accumulation of reserves.

"Outstanding Principal Amount" means on any particular day the aggregate of all funds that the County has drawn from the Purchaser under the Note to that day, less the aggregate of all principal payments on the Note made by the County on or before that day.

"Paying Agent" means the County Treasurer, or her successors and assigns.

"RUS Proceeds" means the proceeds of the Bonds and the proceeds of the grant received by the County from RUS.

"Project" or "Antelope Hills Water Project" means the Antelope Hills Water Division Water Project consisting of the acquisition, construction, reconstruction, improvement, betterment or extension of the System in the Antelope Hills Water Division.

"Purchaser" means U.S. Bank, National Association.

"Registrar" means the County Treasurer, or her successors and assigns.

"RUS" or "Rural Utilities" means the United States Department of Agriculture, Rural Development - Rural Utilities Service, or any successor thereto.

"Sale Certificate" means the Sale Certificate to be executed by any member of the Board of County Commissioners, the County Manager, or the Finance Director setting forth the terms and conditions of the Note authorized hereby, subject to the parameters and restrictions set forth herein.

"Water System" means the water collection, treatment and disposition system of the Gunnison County Water and Sewer District and comprised of all of the system and facilities and properties now owned or hereafter acquired within the Antelope Hills Water Division.

Repeal of Prior Note Resolution. The Prior Note Resolution is hereby rescinded and repealed and replaced in its entirety with this Resolution.

Acceptance of Purchase Proposal. Any of the members of the Board, the County Manager or the Finance Director are hereby authorized to accept a Loan Commitment Letter submitted by the Purchaser for the purchase of the Note in a principal amount not to exceed \$1,288,000 and at a maximum interest rate not to exceed 8.0%. The private sale of the Note hereby is authorized as provided in Section 29-14-105(4).

Ratification. All consistent action taken previously by the Board and officers of the County directed toward the Project and toward the issuance of the Note for that purpose is ratified, approved and confirmed.

Authorization of Project. The Project is authorized at a total cost of approximately \$1,288,000 (excluding Costs of the Project which will be defrayed from other than Note proceeds) and the necessity thereof is hereby declared.

Authorization of Note. For the purpose of providing funds to pay a portion of the cost of the Project, the County shall issue its "Gunnison County, Colorado, Taxable Bond Anticipation Note (Antelope Hills Water Project) Series 2011" in the principal amount not to exceed \$1,288,000, to be issued in the form of a non-revolving draw down note, in anticipation of the sale of Bonds to RUS. The Note shall be issued and be payable both as to principal and interest solely from the RUS Proceeds and Net Revenue, and the County pledges irrevocably such RUS Proceeds and Net Revenue to the payment of the Note and the interest thereon and the proceeds of the Note to be used solely for the aforesaid purpose, pursuant to the Note Act and the Act.

Note Details. For the purpose of providing interim financing of the Project pending its completion and the issuance of the Bond, the Board hereby authorizes the issuance and sale of its bond anticipation note, to be issued in the form of a non-revolving draw down note, in the aggregate principal amount not to exceed \$1,288,000. The Note shall be dated as of the date of its original issue, shall be issued in fully registered form in the denomination set forth in the Sale Certificate, shall be numbered N-1, shall bear interest on unpaid principal advanced from the respective date or dates of each advance until the principal thereof is paid in full at the interest rate specified in the Sale Certificate, and shall mature on the date set forth in the Sale Certificate. The Outstanding Principal Amount shall be due and payable upon the maturity or earlier prepayment of the Note. Interest on the Note shall accrue from the date thereof, and shall be payable upon the maturity or earlier prepayment in full of the Note. The Note shall be in registered form as to both principal and interest. Except as otherwise provided herein, every payment on the Note shall be applied first to interest computed to the date of payment and then to principal.

Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Principal of and interest on the Note shall be payable upon presentation and surrender thereof by the Registered Owner at the office of the Note Registrar.

Notwithstanding the foregoing, the obligation of the County as represented by the Note shall be \$1,288,000 or such lesser amount as shall represent the aggregate principal amount advanced by the Purchaser to the County as shown on the loan advance panel appended to the Note.

Section 11-57-204 of the Supplemental Public Securities Act provides that a public entity may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act to the issuance of such securities. The County hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the issuance of the Note. Section 11-57-205 of the Supplemental Public Securities Act provides that a public entity may delegate to any member of the issuing authority, chief executive officer, or chief financial officer of the public entity the authority to sign a contract for the purchase of the securities or to accept a binding bid for the securities, such delegation to be effective for one year after adoption of the act of issuance. The Board hereby delegates to and authorizes any member of the Board, the County Manager or the Finance Director the independent authority to execute and deliver the Sale Certificate setting forth the terms on which the Note will be delivered, subject to the parameters and restrictions contained in this Resolution.

The Note shall mature, bear interest from its dated date to maturity or prior redemption, and shall be sold, all as provided in the Sale Certificate; provided that:

- (i) The maximum net effective interest rate shall not exceed 8.00%.
- (ii) The price at which the Note will be sold to the Purchaser, provided that the purchase price of the Note shall not be less than 98% of the principal amount of Note.
- (iii) The principal amount of the Note, provided that such principal amount shall not exceed \$1,288,000.
- (v) The amount of principal of the Note maturing on any particular date; provided that the Note shall mature no later than December 31, 2013.

Such determinations shall be evidenced by the Sale Certificate signed by any member of the Board, the County Manager or the Finance Director dated and delivered on or before the date of issuance of the Note, which shall not be more than one year from the date of adoption of this Resolution.

Payment of Note; Paying Agent and Registrar. The principal of and interest on the Note shall be payable to the Owner thereof, upon maturity and presentation and surrender thereof to the Paying Agent. If, upon presentation of the Note at or after the Maturity Date, payment is not made as herein provided, interest thereon shall continue to accrue at the same rate per annum until the principal thereof is paid in full. 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 the Registrar.

Prior Redemption. The Outstanding Principal Amount may be prepaid, in whole or in part, as provided in the Sale Certificate.

Negotiability. Subject to the registration and payment provisions provided herein, the Note shall be negotiable within the meaning of and for the purposes of the Colorado Uniform Commercial Code--Investment Securities, and each Holder shall possess all rights enjoyed by holders of negotiable instruments under the Colorado Uniform Commercial Code--Investment Securities.

Note Registration, Transfer and Exchange. (A) The Note is issued as a fully registered note, i.e., registered as to the payment of both principal and interest. The Registrar shall maintain records for the registration of ownership of the Note as provided in this resolution. The Note may be transferred upon the registration records upon surrender of the Note to the Registrar, accompanied by a written instrument of transfer in form satisfactory to the Registrar, duly executed by the registered owner of the Note to be transferred or his duly authorized attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Note, along with the social security number or tax identification number and the address of such transferee. No transfer of the Note shall be effective until entered on the registration records.

In all cases of the transfer of the Note, the Registrar shall enter the transfer of ownership in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note, bearing the same maturity date, number, and interest rate, all in accordance with the provisions of this resolution. The Registrar may impose reasonable charges in connection with transfers of the Note, 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 registered owner requesting such transfer.

The Registrar shall not be required to transfer the Note: (1) during a period beginning at the opening of business 15 days before the day of mailing by the Registrar of a notice of prior redemption of the Note and ending at the close of business on the day of such mailing or (2) after the mailing of notice calling the Note for prior redemption.

(B) If the Note shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the County may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Note. If such lost, stolen, destroyed or mutilated Note shall have matured or shall have been called for redemption, the Registrar may direct that such Note be paid by the Paying Agent in lieu of replacement.



IN WITNESS WHEREOF, Gunnison County, Colorado, has caused this note to be signed and executed in the name and on behalf of the County by the manual or facsimile signature of the Chairperson, has caused the manual or facsimile seal of the County to be affixed hereon and to be attested by the manual or facsimile signature of the County Clerk and Recorder, all as of \_\_\_\_\_, 2011 (i.e., the date of the original delivery hereof).

(Manual or Facsimile Signature)  
Chairperson

(SEAL)

Attest:

(Manual or Facsimile Signature)  
County Clerk and Recorder

(End form of Note)

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This is the Gunnison County, Colorado (Antelope Hills Water Project) Taxable Bond Anticipation Note, Series 2011, dated \_\_\_\_\_, 2011, described in the within-mentioned Note Resolution.

By  
County Treasurer, Gunnison County,  
Colorado  
As Registrar

(End Form of Certificate of Authentication)

(Form of Loan Advance and Registration Panel)

INSTALLMENT LOAN ADVANCES

The Purchaser loaned to the County the respective amounts of principal on the respective dates hereinafter designated, the sum of which amounts constitutes the aggregate principal amount of the within note, as follows:

Date of Loan	Amount of Loan	Signature of Purchaser Representative
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MANDATORY REGISTRATION FOR PAYMENT AS TO PRINCIPAL AND INTEREST

The within note is registered in the office of the Treasurer of Gunnison County, Colorado, as Registrar, in the name of the last owner listed below; and the principal amount of the note and interest thereon shall be payable only to such owner, all in accordance with the Resolution authorizing the note's issuance.

Date of Registration	Name of Owner	Address of Owner	Signature of Registrar
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U.S. Bank National Association

(Form of Transfer)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto \_\_\_\_\_ the within note and irrevocably constitutes and appoints \_\_\_\_\_, attorney-in-fact, to transfer the within note on the records kept for registration thereof with full power of substitution in the premises.

Dated:

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

Address of transferee:

Tax Identification Number(s) or Social Security Number(s) of Transferee:

(End of Form of Note)

Disposition of Note Proceeds. The proceeds of the Note shall be used solely for the Costs of the Project and to pay the costs of issuance of the Note. The proceeds of the Note, exclusive of the amount needed to pay the costs of issuance thereof, shall be deposited into a separate account to be established by the County and to be known as the "Antelope Hills Water Project Construction Account" (the "Construction Account"). The County shall obtain the approval of RUS for all disbursements from the Construction Account to pay Costs of the Project, unless RUS waives such requirement. Neither the Purchaser nor any Holder shall be responsible for the application or disposal of such funds.

Note Preparation, Execution and Delivery. The Chairperson and the County Clerk and Recorder are directed to prepare and execute the Note. Thereafter, the Chairperson, the County Manager or the Finance Director shall deliver the Note to the Purchaser on receipt of the agreed purchase price.

Lien of the Note. The Note constitutes an irrevocable and first lien upon the RUS Proceeds. The County shall not issue any note, bond or other obligation having a lien on the RUS Proceeds.

Protective Covenants. The County covenants and agrees with each and every Holder that:

Issuance of Bonds. The County shall use its best efforts to issue the Bonds as soon as RUS will purchase the Bonds.

Use of Note Proceeds. The Project shall be constructed and acquired without delay, and the proceeds of the Note shall be applied to finance the Costs of the Project and the costs of issuance of the Note.

Payment of Note Herein Authorized. The County will pay principal of and interest on the Note at the place, on the dates, and in the manner specified according to the true intent and meaning thereof.

Audits and Budgets. The County agrees that it will, within 180 days following the close of each fiscal year, furnish to the Purchaser an audit made by an Independent Accountant.

County's Existence. The County will maintain its "corporate" identity and existence so long as the Note remains outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the County without adversely affecting, to any substantial degree, the privileges and rights of any Holder.

Additional Securities. The Enterprise shall not hereafter issue any bonds or securities payable from Net Revenue other than the Note prior to the discharge of the Note without the prior written consent of the Purchaser.

Defaults and Remedies.

A. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(1) Nonpayment of Principal. Payment of the principal of the Note is not made when the same becomes due and payable;

(2) Nonpayment of Interest. Payment of any installment of interest is not made when the same becomes due and payable;

(3) Incapable to Perform. The County or the Enterprise for any reason is, or is rendered, incapable of fulfilling its obligations hereunder;

(4) Nonperformance of Duties. The County or the Enterprise shall have failed or carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Revenue, to the Water System, or to all or any combination thereof, or otherwise including, without limitation, this Resolution, and such failure shall continue for thirty (30) days after receipt of notice from the Purchaser;

(5) Appointment of Receiver. The County or the Enterprise shall file a petition in bankruptcy, or an order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the County or the Enterprise, appointing a receiver or receivers for the Gross Revenue or Net Revenue and any other moneys subject to the lien to secure the payment of the Note, or if any order or decree, having been entered without the consent or acquiescence of the County or the Enterprise, is not vacated or discharged or stayed on appeal within sixty (60) days after entry;

(6) Default of Any Provision. The County or the Enterprise makes any default in the due

and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Note or in this Resolution on its part to be performed, and if such default continues for thirty (30) days after written notice, specifying such default and requiring the same to be remedied, is given to the County by the Purchaser.

B. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, the Purchaser may proceed against the County or the Enterprise or both and its respective agents, officers, directors and employees to protect and to enforce the rights the Purchaser under this Resolution by mandamus or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenants or agreement contained herein or for any proper legal or equitable remedy as the Purchaser may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the Purchaser, or to require the County or the Enterprise to act as if it were the trustee of an expressed trust, or any combination of such remedies, or as otherwise may be authorized by any statute or other provision of law.

Amendment of Resolution. This resolution may be amended, without receipt by the County of any additional consideration, but with the written consent of the Holder of the Note.

Delegated Powers. The officers of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including, without limitation, the execution of such certificates or forms as may be reasonably required by the Purchaser, relating to the signing of the Note, the tenure and identity of the officials of the Board and of the County, the delivery of the Note and the receipt of the purchase price, and, if it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity thereof, and the absence and existence of factors affecting the exemption of interest on the Note from federal income taxation, the assembly and dissemination of financial and other information concerning the County and the Note, and the sale and issuance of the Note pursuant to the provisions of this resolution and to any instrument supplemental hereto.

Prior Contracts. If any provision herein is inconsistent with any provision in any existing contract pertaining to the County so as to affect prejudicially and materially the rights and privileges thereunder, so long as such contract shall remain viable and in effect such provision therein shall control such inconsistent provision herein and the latter provision shall be subject and subordinate to such provision in such existing contract.

Police Power. Nothing herein prohibits or otherwise limits or inhibits the exercise by the State of Colorado, any agency thereof or any political subdivision thereof, including, without limitation, the County, of the police power, i.e., essential governmental powers for the public welfare. The provisions hereof are subject to any proper exercise in the future of the police power thereby. The County cannot contract away the police power thereof nor limit or inhibit by contract the proper exercise of the police power thereby, and this resolution does not purport to do so.

Resolution Irrepealable. After the Note herein authorized is issued, this resolution shall be and remain irrepealable until the Note and the interest thereon shall be fully paid, canceled, and discharged, as herein provided.

Severability. If any section, paragraph, clause, or provision of this resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Repealer Clause. All bylaws, orders, and resolutions, 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, or resolution, or part thereof, heretofore repealed.

Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Note shall contain a recital that it is issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note after its delivery for value.

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

Effective Date. This Resolution shall take effect immediately upon adoption. PASSED, ADOPTED AND APPROVED this 25th day of October, 2011.

BOARD OF COUNTY COMMISSIONERS  
GUNNISON COUNTY, COLORADO

Chamberland – yes; Channell – yes; Swenson – yes.

SCHEDULE I  
[INSERT MAP OF ANTELOPE HILLS WATER DIVISION AREA]

STATE OF COLORADO )  
 ) SS.  
COUNTY OF GUNNISON )

I, the duly elected, qualified and acting County Clerk and Recorder of Gunnison County, Colorado (the "County") do hereby certify:

1. That the foregoing pages are a true, correct, and complete copy of a resolution (the "Resolution") adopted by the Board of County Commissioners (the "Board") of the County at a regular meeting of the Board held at the County Commissioners Meeting Room in the Gunnison County Courthouse 200 E. Virginia Avenue, Gunnison, Colorado, on October 25, 2011.
2. The Resolution has been signed by the Chairperson of the Board, sealed with the seal of the County, attested by me as County Clerk and Recorder, and duly recorded in the books of the County; and that the same remains of record in the book of records of the County.
3. The passage of the Resolution was duly moved and seconded and the Resolution was passed by an affirmative vote of a majority of the members of the Board as follows:

Commissioner	Voting "Yes"	Voting "No"	Absent	Abstaining
Hap Channell				
Paula Swenson				
Phil Chamberland				

4. That notice of the meeting, in the form attached hereto as Exhibit A, was posted at one public place within the boundaries of the County (the County Courthouse) no less than twenty-four hours prior to the meeting as required by law.
- IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this 25th day of October, 2011.

(SEAL) County Clerk and Recorder

EXHIBIT A  
(Attach Notice of Meeting)